

CEYLON IPO FUND

UNIT TRUST DEED

DATED

12th MAY 2011

BETWEEN

CEYLON ASSET MANAGEMENT CO. LTD

AND

DEUTSCHE BANK AG, COLOMBO BRANCH

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UNIT TRUST DEED

THIS INDENTURE AND DECLARATION OF TRUST is made and entered into at Colombo on the date or dates hereinafter set forth.

BETWEEN

CEYLON ASSET MANAGEMENT COMPANY LIMITED a company duly incorporated in Sri Lanka under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 on the 2nd day of June 2009 and whose registered office is at No. 281, Union Place, Colombo 2 in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as "the Manager") of the **ONE PART.**

AND

DEUTSCHE BANK AG, COLOMBO BRANCH a banking corporation duly incorporated in the Federal Republic of Germany and having its registered office at 12 Taunusanlage, Frankfurt am Main, Federal Republic of Germany and having a branch office at No. 86, Galle Road, Colombo 03 in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as "the Trustee" and which term or expression as hereinafter used shall where the context so requires or admits mean and include the said Deutsche Bank AG, Colombo Branch its successors and assigns) of the **OTHER PART.**

WHEREAS:

- (A) *The Manager agreed and established a Unit Trust which now called and known as the "CEYLON IPO FUND" (hereinafter referred to as "The Unit Trust") and constituted the same by the Trust Deed dated 12th May 2011 between the Manager and the Trustee.*
- (B) *The Trustee consented to act as Trustee of the Unit Trust on the terms and conditions contained in the said Trust Deed.*
- (C) *The Manager and the Trustee agreed to amend and vary the terms and conditions of the said Trust Deed and obtained the approval of the Securities and Exchange Commission of Sri Lanka.*
- (D) *The Parties have agreed to enter into this Trust Deed in substitution for and to the exclusion of the terms of the said Trust Deed.*

NOW THIS INDENTURE WITNESSETH as follows:

DEFINITIONS

1. (A) In this Deed and the Schedule unless the context otherwise requires:

"Accounting Date" means, in the case of the final Accounting Period, the date on which the monies received for the final distribution are transferred to the Distribution Account and in any other case, the 31st day of December in each year commencing from the 1st day of January, provided that the Manager may, with the prior written consent of the Trustee, change the Accounting Date to any other date approved by the Trustee upon giving not less than 21 days notice to the Trustee and the Holders.

"Accounting Period" means, a period ending on and including an Accounting Date and commencing (in the case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee or (in any other case) from the end of the preceding Accounting Period.

"Account Statements" shall mean and include the statements issued by the Manager in accordance with section 4(c) hereof, to the unit holders confirming their holdings.

"Approved Broker" means a member or trading member of the Colombo Stock Exchange and licensed by the Commission as a stock broker.

"Auditors" means Auditors of the Trust appointed by the Trustee with the approval of the Securities and Exchange Commission of Sri Lanka.

"Authorized Investment" means any investment generally or specifically permitted by this Deed, the Unit Trust Code or any other investment permitted by the Securities and Exchange Commission from time to time and may include,

- a) Shares offered in any Initial Public Offerings (IPOs) of Companies to be listed and quoted on a "Recognised Stock Exchange".
- b) Stock warrants, options or other Securities, which are listed and quoted on a "Recognised Stock Exchange".
- c) Subscriptions on Initial Public Offers (IPO) can be made up to a maximum percentage of the deposited property as approved by the SEC from time to time.
- d) Any deposit in Treasury Bills, Re-Purchase Agreement and bank/call deposits with maturities of less than 3 months, commercial paper endorsed or guaranteed by licensed commercial banks or licensed specialised banks under the Banking Act No. 33 of 1988 with maturities of less than 3 months and Government Securities including Government Bonds with maturities of less than one (01) year that can be readily convertible into cash. In the case of licensed specialised banks, the approval of the Commission shall be required.
- e) Any investment permitted by the Commission, the Investment Advisory Panel, and approved by the Trustee in writing.
- f) Any Treasury Bills or Re-Purchase Agreement with Primary Dealers Licensed by the Central Bank with a maturity period of less than three months, **subject to the authorized investment percentages in terms of the scheme applicable to the Fund** and does not include any investment in real estate or any investment prohibited by the Commission.

"Business Day" or "Market Day" means a day on which the Colombo Stock Exchange is open for dealings/trading.

"Cancellation Price" is the sum the Trustee will pay over from the Deposited Property on cancellation of a unit.

"Certificate" means a Certificate for Units.

"Colombo Stock Exchange" means a company limited by guarantee and licensed by the Commission to operate as a stock exchange.

"Committee" means the Committee appointed under the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 as amended by Amendment Act No.26 of 1991.

"Commission" means the Securities and Exchange Commission of Sri Lanka established under the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 as amended by Amendment Act No. 26 of 1991.

"Connected Person" of the Manager or Trustee means:

- a) A person owning, directly or indirectly, a prescribed per centum or more of the ordinary share capital of the Manager or Trustee or able to exercise, directly or indirectly, a prescribed per centum or more of the total votes in the Manager or Trustee;
- b) A company a prescribed per centum or more of whose ordinary share capital is owned, directly or indirectly by the Manager and/or Trustee; and any company a prescribed per centum or more of the total votes in which can be exercised, directly or indirectly, by the Manager and/or Trustee.
- c) A director or officer of the Manager, Trustee or a company referred to in paragraph (b) or any connected person of that company, as defined in (a) and (b).

"Dealing Day" means the day the Fund's assets are valued and new units issued and existing units redeemed if so requested, which is any Business Day.

"Deposited Property" means all the assets (including cash and cash deposits) for the time being held or deemed to be held upon Trust, excluding any amount for the time being standing to the credit of the Distribution Account.

"Distribution Account" means an account which has been set up by the Trustee to hold income for distribution to Unit holders.

"Duties and Charges" means (in relation to any particular transaction or dealing) all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and other Duties or Charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of Investments or in respect of Certificates or otherwise, which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such Duties and Charges are payable, but does not mean commission (if any) payable to agents on sales and repurchases of Units or any commission, charges or costs which may have been taken into account in ascertaining value.

"Exit Fee" means the fee applicable upon the withdrawal of funds by the Unit holder. For this fund, the exit fee applicable will be 1% of redemption value for the first six (6) months of investment and no exit fee thereafter. The Manager may reduce the Exit Fee and notify in writing to the Trustee not less than three (3) calendar days prior to the effective date of any revision to the Exit Fee.

"Equalization payment" means (in relation to a Unit issued by the Managers) the amount deemed to have been paid by the Unit holder for the capital sum deemed by the Manager to represent the amount included in an offer price of a Unit for the portion of net income accrued and capital gains realized upto the date upon which such Unit is deemed to have been issued and (in relation to a Unit redeemed by the Managers) the amount deemed to have been paid to the Unit holder for the capital sum deemed by the Manager to represent the amount included in a bid price of a Unit for the portion of net income accrued and capital gains realized upto the date upon which such Unit is deemed to have been redeemed.

"Extraordinary Resolution" means a resolution passed at a meeting of Holders duly convened by giving not less than 21 days notice and held in accordance with the provisions contained in the Schedule hereto and carried by a majority consisting of not less than three quarters of the number of persons present and voting thereat upon a show of hands or if a poll is duly demanded and taken by a majority consisting of not less than three quarters in number of the votes given on such poll.

"Front End Fee" means a charge, which may be included in the price of a Unit, ascertained pursuant to Clause 13.

"Fund" means the **CEYLON IPO FUND**

"Holder" means the person for the time being entered in the Register as the Holder of a Unit and includes persons so entered as joint Holders.

"Income Account" means the account referred to in Clause 22 hereof.

"Investment Advisory Panel" or "Panel" means the panel referred to in Clause 20(B)

"IPO" means Initial Public Offerings

"Issue Price" is the sum the Trustee would require to be paid over to it, for inclusion in the Deposited Property, in return for issuing one Unit plus any front end fee.

"Management Participation" means any sum to which the Trustee and the Manager may become entitled pursuant to the provisions of Clause 28.

"Month" means calendar month.

"Minimum Holding" means such number of Units as may be determined by the Manager and notified in writing to the Trustee not less than three (3) calendar days prior to the effective date of any revision to the minimum investment.

"Minimum Investment" shall be a sum not less than Rs.10,000/- or such amount as may be determined by the Manager and notified in writing to the Trustee not less than three (3) calendar days prior to the effective date of any revision to the minimum investment.

"Recognised Stock Exchange" means the Colombo Stock Exchange or any other stock exchange in Sri Lanka licensed by the Securities & Exchange Commission or any other stock exchange of repute in any other part of the world as from time to time agreed to in writing between The Manager and the Trustee and specifically recognized for this purpose by Securities & Exchange Commission.

"Register" means the register of the Holders kept pursuant to Clause 10.

"Resolution and Ordinary Resolution" means any resolution, which may be passed by a simple majority of the votes of those present (in person or by proxy according to the Rules in the Schedule) and voting at a duly convened meeting of Holders. "Rupees" means Sri Lanka Rupees, unless otherwise stated.

"Retail investor" means an investor as defined by the Commission.

"Securities" shall have the same meaning as in the Securities & Exchange Commission Act as amended.

"The Manager" means CEYLON ASSET MANAGEMENT COMPANY LIMITED or any other person for the time being duly appointed as Manager of the Trust in succession to the said CEYLON ASSET MANAGEMENT COMPANY LIMITED under the provisions of Clause 35.

"The Trust" means the Unit Trust constituted by this Deed as from time to time modified or added to and to be called by the name **CEYLON IPO FUND** or such other name as the Trustee and the Manager may from time to time determine.

"Trustee" means Deutsche Bank AG, Colombo Branch or any other person or persons for the time being duly appointed Trustee or Trustees hereof in succession to Deutsche Bank AG, Colombo Branch under the provisions of Clause 34.

"Unit" means one undivided share in the Trust and such fractions of a unit rounded down to the nearest two decimals.

"Unit Trust Code" means the Unit Trust Code framed by the Commission under the Securities and Exchange Commission of Sri Lanka Act No.36 of 1987 as amended by Act No. 26 of 1991.

"Value" means with reference to

- i. investment in any quoted equities at any given time, except as herein otherwise specifically provided, the Value thereof calculated by reference to the formula given by the Unit Trust Association of Sri Lanka and approved the Securities & Exchange Commission of Sri Lanka.
- ii. an investment in any other instrument, the value thereof estimated with reference to an appropriate discount rate derived from yields of similar instruments.

In calculating the Net Asset Value of the Deposited Property or any portion thereof and in dividing such Value by the number of Units in issue and deemed to be in issue.

- a) every Unit shall be deemed to be in issue for which a Certificate may be delivered in terms of Clause 4 (E) or for which the Manager confirms consideration has been realized.
- b) the Deposited Property shall be deemed to include not only cash in the hands of the Trustee, but any cash which the Manager confirms has been realized in respect of Units issued after deducting there from the Front End Fee and the adjustment, if any, referred to in Clause 13(B).
- c) where the current price of an investment is quoted ex-dividend or ex-interest but such dividend or interest has not been received, the amount of such dividend or interest shall be deemed to have been received except in instances where there is reason to believe that the dividends or interests will not be paid.
- d) there shall be deducted any amount of Management Participation accrued but remaining unpaid.
- e) where notice of a reduction of the Trust by the cancellation of Units has been given by the Manager to the Trustee pursuant to Clause 16 (A) but such cancellation has not been completed, the Units to be cancelled shall be deemed to be not in issue and the Value of the Deposited Property shall be reduced by the amount payable to the Manager upon such cancellation.
- f) there shall be taken into account such sums as in the estimate of the Manager shall be payable or recoverable in respect of taxation down to the relevant date
- g) any Value whether of an Investment or cash otherwise than in the currency of Sri Lanka and any foreign currency borrowing effect for account of the Trust shall be converted into the currency of Sri Lanka at the official exchange rate current at the time of valuation; having regard inter alia to any premium or discount which may be relevant and the costs of exchange.
- h) there shall be deducted the principal amount of any borrowings (together with any interest and other charges thereon accrued but remaining unpaid) effected by the Trust for the time being outstanding.

"Year" means calendar Year.

- (B)
 - i) References to the schedule and to clauses, sub-clauses and sub-paragraphs shall be construed as reference to the schedule to this Deed and to clauses, sub-clauses and sub-paragraphs of this Deed.
 - ii) Words importing the singular number only shall include the plural and vice versa; words importing the masculine gender only shall include the feminine gender, words

importing persons shall include bodies of persons whether corporate or incorporate; the words "written" or "in writing" shall include printing, engraving, lithography or other means of visible reproduction or partly one and partly another; and reference to any Statute shall be deemed to be references to that Statute as from time to time amended or re-enacted.

- iii) The headings inserted herein are for convenience only and shall not affect the construction of this Deed.

DECLARATION OF TRUST

- 2. The Trustee shall stand possessed of the Deposited Property upon trust for the Holders *pari passu* according and subject to the provisions of this Deed and any Deed supplemental hereto and any monies forming part of the Deposited Property shall from time to time be invested with the consent of the Trustee by the Managers in accordance with the provisions herein contained so that no Unit shall confer any interest or share in any particular part of the Deposited Property.

PROVISIONS AS TO CERTIFICATES

- 3 (A) Certificates shall be in such form as may from time to time be agreed between the Manager and the trustee. A Certificate shall:
 - (i) be dated,
 - (ii) bear the names and addresses of the Manager and the Trustee,
 - (iii) bear a distinctive serial number,
 - (iv) specify the number of Units represented thereby, and
 - (v) bear the name and address of the Holder as appearing in the Register.
- (B) Certificates may be issued in such denominations of Units and such fractions of a Unit rounded down to the nearest two decimals as may for the time being, generally or otherwise be prescribed in writing by the Manager with the approval of the Trustee.
- (C) Only one class of Certificate shall be issued.
- (D) Every fraction of a Unit shall rank *pari passu* generally or otherwise be prescribed in writing by proportionately with a Unit.
- 4 (A) Certificate may be engraved or lithographed or printed as the Manager may from time to time with the approval of the Trustee determine and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Manager by a duly authorized Officer of the Manager approved by the Trustee. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature, in which event all or any of such signatures may be effected by the method so adopted.

No Certificate shall be of any force or effect until so signed. Certificates so signed shall be valid and binding notwithstanding that before the date of delivery thereof, the Trustee or the Manager or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee or the Manager or an authorized signatory.

- (B) The Trustee may itself issue and sign Certificates or may appoint the Manager as its agent for the purpose of issuing and signing Certificates subject to the Manager first undertaking in writing with the Trustee:
- (i) to issue Certificates in a manner directed by the Trustee;
 - (ii) to permit no change in the manner of their issue without the written consent of the Trustee, and
 - (iii) to supply on request any information or explanation that the Trustee might require in relation to the issue and signing of Certificates.
- (C) The Manager may with the approval of the Trustee and the consent of unit holders, issue Account Statement in lieu of Certificates. All references to Certificates as mentioned in this Deed of Trust shall be so constructed to include the Account Statements issued by the Manager.

An Account Statement issued by the Manager shall:

- (i) be dated,
- (ii) bear the names and the addresses of the Manager and the Trustee,
- (iii) bear a distinctive account number,
- (iv) specify the number of Units and such fractions of a Unit rounded down to the nearest two decimals of each type held by the Unit Holder,
- (v) indicate the value of the Units held as at the date of statement,
- (vi) bear the names and addresses of the Holders as recorded in the Register, and;
- (vii) reflect the purchases and sales of Units carried out between the date of last statement and the date of present statement.

A Unit holder who has elected to obtain an Account Statement may make a request in writing requiring the Manager to issue certificates for the entirety or any part of the Units held by him. In such a case the Manager may require from the Unit holder for the certificate the payment to it a fee of Rs.100/- (or such other amount as may be fixed from time to time by the Manager and the Trustee).

- (D) The Trustee or the Manager as its agent shall (subject to the provisions of Clause 14(G) issue Certificates in such denominations [subject to the provisions of Clause 3(B)] as may be required for Units agreed to be issued or sold only against payment or transfer to the Trustee (or as it may direct) of the cash or other property receivable by the Trustee in respect of the issue of the Units concerned. The Trustee shall also from time to time deliver Certificates required to be issued pursuant to any provision of this Deed upon due compliance with the conditions applicable thereto.
- (E) Certificates to be issued as herein provided to subscribers for or purchasers of Units subscribed for or purchased shall be issued not more than twenty one Business Days after the allotment of such Units or the registration of transfer of such Units as the case may be and may be sent to the Holder at his own risk by registered post or by personal delivery.

No Certificate shall be delivered to the Holder until the Trustee is satisfied that the consideration paid for the Units has been or will be vested in the Trustee.

- (F) In the case of Units held jointly by several persons, the Manager shall not issue more than one Certificate therefor and delivery of such Certificate to the person named first therein shall constitute sufficient delivery to all joint Holders.

5(A) Subject to the provisions of this Deed and in particular to limitations imposed pursuant to Clause 3(B) and subject to any regulations from time to time made by the Manager, every Holder shall be entitled to exchange any or all of his Certificates for one or more Certificate of such denominations as he may require representing the same aggregate number of Units. Before any such exchange as aforesaid is carried out, the Holder shall surrender to the Manager the Certificate or Certificates to be exchanged and shall pay to the Manager all monies (if any) payable hereunder.

(B) In case any Certificate shall become mutilated or defaced, the Manager at its discretion may issue to the person entitled thereto in exchange for and upon surrender to the Manager for cancellation of the mutilated or defaced Certificate a new Certificate representing the same aggregate number of Units. In case any Certificate shall be lost, stolen or destroyed, the Manager may at its discretion issue to the person entitled thereto a new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:

- (i) furnished to the Manager evidence satisfactory to it and to the Trustee of the mutilation, defacement, loss, theft or destruction of the original Certificate,
- (ii) paid all expenses incurred in connection with the investigation of the facts (including but not limited to public advertisement),
- (iii) (in the case of defacement or mutilation) produced and surrendered to the Manager for cancellation the defaced or mutilated Certificate, and
- (iv) (if so required by the Manager and/or the Trustee) furnished to the Manager and/or the Trustee such indemnity in such form as the Manager and/or the Trustee may require.

Neither the Manager nor the Trustee shall incur any liability for any thing done or omitted to be done in good faith under the provisions of this paragraph.

(C) Before the issuing of any Certificate under the provisions of this Clause, the Manager may require from the applicant for the Certificate the payment to it a fee of Rs.100/- (or such other amount as may be fixed from time to time by the Trustee and the Manager) for each Certificate together with a sum sufficient in the opinion of the Manager to cover any Duties and Charges payable in connection with the issue of such Certificate.

(D) In the event of the Manager or the Trustee after the issue of any Certificate (whether original or balance or duplicate) being required to pay any stamp duty or any additional stamp duty thereon, the Manager shall be entitled to deduct the amount of such stamp duty or additional stamp duty from any subsequent distribution to the Holder of such Certificate or from any other monies whatsoever which may subsequently become payable to such Holder.

(E) Every Certificate issued hereunder shall be in the name of the Holder of the Units represented by the Certificate surrendered or lost, stolen or destroyed.

(F) Whenever the Manager receives notice from a Unit Holder requesting the Manager to re-issue a Certificate on the ground that the Certificate issued to him is lost stolen or destroyed, the Manager shall cause notice to be published in leading newspapers in Sinhala, Tamil and English languages, inviting any notice of opposition against the re-issue of any such Certificate. In the event there being no notice of opposition, a Certificate shall be issued by the Manager to the person who has so requested for a Certificate, provided however, that the person to whom such Certificate is issued should be the registered Unit Holder. Where any notice of opposition is received by the Manager, the Manager shall cause a due inquiry and determines to whom the Certificate should be issued. The Manager shall thereupon issue a new Certificate to such person. Any decision of the Manager shall be final.

HOLDERS BOUND BY DEED

6. The terms and conditions of this Deed and of any Deed supplemental hereto entered into pursuant to the provisions hereof shall be binding on each Holder and all persons claiming through or under him as if he had been a party to and had executed this deed and any such supplemental Deed and had thereby covenanted for himself and for all such persons to observe and be bound by all provisions thereof and had thereby authorized the Trustee and the Manager respectively to do all such acts and things as this Deed or any such supplemental Deed may require the Trustee or the Manager (as the case may be) to do.
7. A copy of this Deed and of any such supplemental deed shall be made available for inspection free of charge to any member of the public at the office of the Manager at all times during normal business hours; and copies shall be supplied by the Manager to any person at a charge of Rs. 1,000/- (or such other amount as may be fixed from time to time by the Trustee and the Manager) per copy.

TRUSTS AND EQUITIES

8. The Holder shall be the only person to be recognized by the Trustee or by the Manager as having any right, title or interest in or to a Certificate, and the Units represented thereby, and the Trustee and the Manager may recognize such Holder as the absolute owner of such Units and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust save as herein expressly provided or as may be ordered by some Court of competent jurisdiction to recognize any such trust or equity or other interest affecting the title to any Certificate or the Units represented thereby. No person other than the Manager shall have any rights against the Trustee except during the period for which a Certificate is outstanding in his name.

MANAGER AS HOLDER

9. Nothing herein contained shall prevent the Manager from becoming a Holder, subject to the limitations on voting provided in Clause 2 of the Schedule.

REGISTRATION OF HOLDERS

10. The following provisions shall have effect with regard to the registration of Holders.
 - (A) An updated Register of the Holders shall be kept by the Manager at its Registered Office in the Republic of Sri Lanka. The Register may be kept either in written form or (without prejudice to the provisions of Sub-clause (C) of this Clause) by any other means (including electronic recording) to the extent that it is admissible as evidence in a court of law, as the Trustee shall from time to time approve. In the case of electronic recording, a backup copy updated from time to time and duly authenticated as agreed with the Trustee shall be deposited with the Trustee.

There shall be recorded in the Register:

- (i) the full name and address of each Holder provided that the Manager shall not be obliged to register more than two persons as joint Holders except in any case or cases otherwise decided upon by the Manager and the Trustee for good reason,
- (ii) the number of Units (including fraction of a Unit) held by every such Holder and the distinctive serial number of the Certificate or Certificates issued in respect thereof or in the case of Holders who have opted for Account Statements the distinctive number of his account.
- (iii) the date on which the name of every such Holder was entered in respect of Units standing in his name, and

- (iv) the number of Units (including fraction of a Unit) for the time being in issue.
- (B) The Manager shall take all reasonable steps and exercise due diligence to ensure, that the information contained in the register is at all times complete and up to date. Any change of name or address of any Holder shall forthwith be notified in writing to the Manager who, on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee and sum provided for by Clause 5(C) as the Manager may require), shall alter the Register or cause it to be altered accordingly and, in the case of a change of name, shall issue a new Certificate to such Holder. Moreover, the Trustee and the Manager shall be entitled to rely absolutely on any declaration of residence from a Holder, or a prospective Holder or applicant for Units.
- (C) The Manager shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records for inspecting the same with or without notice and without charge but neither the Trustee nor any subsidiary or associated company of the Trustee shall be entitled to remove same or to make any entries therein or alternations thereto; and except when the Register is closed in accordance with the provisions in that behalf hereinafter contained, the Register shall during normal business hours (subject to such reasonable restrictions as to the provision of prior notice or otherwise that the Manager may impose but for a period of at least two hours in each Business Day) be open in legible form to the inspection of any Holder without charge. The Trustee shall be entitled to obtain, free of charge, certified copies of statements from the said Register, documents and records and such copies shall be supplied by the Manager within a reasonable time.
- (D) The Register may be closed at such times and for such periods as the Manager may from time to time determine in consultation with the Trustee. Provided that it shall not be closed for more than 30 consecutive normal working days in any one Year and the Manager shall give notice of every such closure by advertisement in the local newspapers in the Sinhala, Tamil and English languages.
- (E) The entries in the Register shall be conclusive evidence as to the persons respectively entitled to the Units entered therein and no notice of any trust, express, implied or constructive, shall be entered on the Register in respect of any Unit. The Manager shall be deemed to hold all Units, which are in issue, if no person is entered into the register, as the holder thereof.
- (F) The Manager shall notify the Commission in writing of the address where the register is kept.

TRANSFER OF UNITS

- 11(A) (i) Every Holder shall be entitled to transfer Units held by him by a legally acceptable instrument of transfer adopted by The Manager and the Trustee for that purpose Provided that:
- (a) unless the transfer comprised the whole of the holding of Units of a Holder, Units shall be only transferable in blocks of such number of Units as the Manager may from time to time prescribe,
- (b) no transfer shall be registered if the registration thereof would result in the transferor or transferee being a Holder of less than such number of Units as may for the time being have been prescribed; and

- (c) in the event of such sub-division or consolidation as is mentioned in Clause 14(G) taking place, any number prescribed shall be proportionately increased or diminished (as the case may be).
- (d) Whenever a part transfer is effected, the Manager shall call upon the Unit Holder to surrender the Certificate issued earlier to him and re-issue Certificates to the respective amounts represented by the sale of Units and where the Unit Holder has opted to obtain Account Statements in lieu of Certificates, the Manager shall issue an Account Statement reflecting the transaction to the Holder within seven market days from the date of such transaction.
- (ii) Every instrument of transfer must be signed (or in the case of a body corporate signed on behalf of or sealed) by the transferor and the transferee. The transferor shall subject to the provisions of Clause 8 be deemed to remain the Holder of and to be entitled to the Units transferred until such time as the name of the transferee is entered in the Register in respect thereof; the instrument of transfer need not be a deed.
- (iii) Every instrument of transfer must be duly stamped and left with the Manager for registration accompanied by any necessary declaration or other documents that may be required in consequence of any legislation for the time being in force and by the Certificate or Certificates relating to the Units to be transferred and such other evidence as the Manager or Trustee may require to prove the title of the transferor or his right to transfer the Units or, in the case of a body corporate, the authority of the signatory on its behalf. The Manager may dispense with the production of any Certificate which shall have become lost, stolen or destroyed upon compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof.
- (iv) A fee of Rs.100/- (or such other amount as fixed from time to time by the Trustee and the Manager) for the registration of each transfer and the issue of a new Certificate in the name of the transferee shall be paid before the registration of the transfer.
- (v) In case only a portion of the Units represented by any Certificate is transferred, the transferors shall be entitled, free of charge to a new Certificate in respect of the balance.
- (B) A receipt signed or purporting to be signed by the Holder for any monies paid in respect of the Units held by him shall (without prejudice to the application of Clause 24) be a valid and sufficient discharge to the Manager and the Trustee and in case of several persons being registered as joint Holders or where in consequence of death, bankruptcy or insolvency of a holder another party is entitled to be registered, such receipt shall be signed by every one of them.
- (C) A body corporate may be registered as a Holder or as one of joint Holders.

TRANSMISSION OF UNITS

- 12(A) (i) In case of the death of any one of joint Holders the survivor or survivors shall be the only person or persons recognized by the Manager and the Trustee as having any title to or interest in the Units held by such joint Holders; and upon production of such evidence of the death as the Manager may require and the delivery of the relevant Certificate the remaining Holder or Holders shall be entitled to have such Certificate duly marked or to have a fresh Certificate duly issued in his or their name or names as the case may be.

- (ii) The executor or administrator or person holding a certificate of heirship of a deceased Holder shall be the only person recognized by the Manager as having any title or any interests in Units held by such deceased unit holder.
- (B) (i) Any person becoming entitled to a Unit in consequence of the death, bankruptcy or insolvency of any sole Holder or of the survivor or survivors of joint Holders may, subject as hereinafter provided, upon producing such, evidence as to his title as the Manager and the Trustee shall think sufficient, either be registered as Holder of such Unit or upon giving to the Manager notice in writing of his desire to do so, transfer such Unit to some other person. All the provisions of this Deed relating to transfer of Units shall be applicable to any such notice or transfer as if the death, bankruptcy or insolvency of the Holder had not occurred and such notice or transfer was a transfer signed by such Holder.
- (ii) Subject to the provisions of sub-paragraph (iii) of this paragraph a person becoming entitled to a Unit in consequence of death or bankruptcy or insolvency as aforesaid shall be entitled to receive and may give a discharge for all monies payable in respect of the Unit but he shall not be entitled to receive notice of or to attend or vote at any meeting of Holders until he shall have been registered as a Holder in respect of such Unit.
- (iii) The Manager may, at its discretion, retain any monies payable in respect of any Unit of which any person is entitled to be registered as the Holder of which any person is entitled to transfer until such person shall be registered as the Holder of such Unit or shall have duly transferred the same;
- (C) In respect of the registration of any Probate, Letters of Administration, Power of Attorney, Marriage or Death Certificate, Order of the Court, Deed Poll or other document relating to or affecting the title to any Unit, there shall be paid to the Manager a fee of Rs.100/- or such other amount as the Manager and Trustee may from time to time agree, and stamp duty (if any).
- (D) No transfer or purported transfer of a Unit, other than a transfer made in accordance with this Clause, shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register.

CONSTITUTION OF THE TRUST

- 13 (A) The Deposited Property shall initially be constituted out of the proceeds of an offer of Units at a fixed price per Unit (inclusive of the Front End Fee) of an amount to be determined by the Manager and the Trustee. Such offer shall remain open for not more than two (2) calendar months or any other period as may be decided by the Trustee in consultation with the Securities and Exchange Commission of Sri Lanka. The proceeds of the offer subject to the deduction of the front end fee if applicable (which shall be retained by the Manager) shall be paid to the Trustee within three (03) working days subject to clause 26(A)(ii) after creation of Units and form the Deposited Property.

Provided further, that no commission payable to agents in respect of the sale of units shall be paid by the Manager out of the Deposited Property. Any such payment if made, shall be paid by the Manager only out of the front-end fee.

- (B) The front-end fee should not exceed two per centum (2%) as herein before set out. The Manager reserves the right to waive the front-end fee for any period or periods.
- (C) The Trustee shall ensure that the Deposited Property including any cash held by the Manager on account of the Trust is maintained separately ensuring a proper segregation from any other fund under the management of the Manager. In order to ensure a clear

segregation, the Trustee shall have the power to require the Manager to maintain and operate independent bank, custodian, CDS, and such other accounts in respect of the Trust.

- (D) In respect of the issues of further Units, the Manager shall pay to the Trustee to be held as part of the Deposited Property such proceeds after deducting therefrom (in the case of Units issued for cash) the front end fee and any adjustments authorized by these presents (if any) and (in case of Units agreed to be issued for consideration other than cash) any monies payable out of the Deposited Property pursuant to the provisions of clause 14(F) and 14(G), provided however that where such funds are received directly to the Account of the Manager by the Trustee, the Trustee shall from and out of the said proceeds (in the case of Units issued for cash) transfer to the Manager the front end fee and any adjustments authorized by these presents (if any) and (in case of Units agreed to be issued or consideration other than cash) any monies payable out of the Deposited Property pursuant to the provisions of Clause 14(F) and 14(G).

ISSUE OF UNITS

- 14 (A) The Manager shall have the exclusive right to create and issue Units that constitute the Trust on behalf of the Trust. Units shall be issued and created only on a Dealing Day.

The Manager shall not be bound to accept any application for Units having a total face Value of less than Rupees Ten Thousand (Rs.10,000/-) or a sum that is determined as the "Minimum Investment" by the Manager from time to time.

Notwithstanding the above, the Manager shall have an absolute discretion to accept or not to accept in whole or in part any application for Units.

The Manager has the absolute discretion to refuse application from non-retail investors in order to ensure compliance of the fund to qualify for the IPO allocation to Unit Trusts as per SEC guidelines.

- (B) (i) The price at which any subsequent issue of Units of the Trust shall be ascertained by dividing the Value of the Deposited Property of the Trust as at the close of business on the date of issue thereof by the number of Units in issue and deemed to be in issue on that date after adding:
- (a) such sum as the Manager may consider representing the appropriate provisions for Duties and Charges, and
 - (b) any front end fee if the Manager so requires,
- and adjusting the resulting quotient to the nearest cent.
- (ii) In the event that the Trustee shall at any time determine (after consultation with the Manager) that it would be detrimental to existing Holders to issue or continue to issue Units at a price based on the Value of the Deposited Property as described in the preceding paragraph (i), then the Trustee shall instruct the Manager either to substitute such Value with the latest available Value or to adjust the Issue Price within the limits permitted by these presents. The Trustee may instruct the Manager temporarily to suspend the issue of Units during any period of consultation or adjustment arising from the provisions of this sub-clause.
- (iii) In the event of arrangements being made by the Manager for the issue of Units for delivery in any country outside Sri Lanka the price at which such Units may be issued may, at the discretion of the Manager, include as an addition to the price of issue as hereinbefore provided a further amount sufficient to cover any currency exchange fluctuation, any additional stamp duty or taxation, whether national municipal or

otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates in connection therewith or the remittance of money to Sri Lanka.

- (iv) Citizens of foreign States, whether resident in or outside Sri Lanka, companies with limited liability or body corporate established or incorporated outside Sri Lanka may apply for the purchase of Units subject to the approval of the Controller of Exchange, Central Bank and the Securities and Exchange Commission of Sri Lanka.

(C) Notwithstanding the preceding provisions of this Clause, the Manager shall with the approval of the Trustee be entitled from time to time to make an invitation to the public to apply for Units at a fixed price (in this Clause referred to as "the fixed price") (Being the price per Unit calculated in accordance with Paragraph (B) of this Clause as at the third Business Day immediately preceding the date of publication of such offer) and for a period not exceeding twenty one (21) Business Days from the date of such publication. Any invitation to subscribe at the fixed price must name at least one newspaper in which the current offer price, calculated as above, has been published during the period of the offer. Units may be issued or sold at the fixed price whether pursuant to a public offer or not. Provided that except in the case of the initial offer of Units.

- (i) The Manager shall forthwith close or procure to be closed such offer if by reason of fluctuations in Value of the Deposited Property the fixed price would exceed by more than 5 per cent in the current price per Unit calculated as aforesaid. Provided that if, the fixed price shall exceed by not more than 5 per cent in the current price per Unit calculated as aforesaid, the Manager shall pay to the Trustee as an addition to the Deposited Property in respect of each Unit issued) by the Manager at the fixed price, the excess of the fixed price over the current price calculated as aforesaid; and
- (ii) The Manager may at their option, close or suspend or procure to be closed or suspended such offer if and whenever by reason of fluctuations in Value of the Deposited Property such fixed price would be lower by more than 5 per cent, than the current price per Unit calculated as aforesaid. Provided that if and so long as the said option shall be exercisable but shall not have been exercised.

The Manager shall pay to the Trustee as an addition to the Deposited Property in respect of each Unit issued or sold at such fixed price a sum calculated in accordance with the following formula:

$$\begin{array}{lcl} \text{(Current Price)} & & \\ \text{(thereof)} & \text{minus} & \text{(Fixed Price x 100)} \\ \text{(calculated)} & & \text{(95)} \\ \text{(as aforesaid)} & & \end{array}$$

(D) The Manager may suspend the dealing of Units as follows;

- (i) suspension of dealing may be provided only in exceptional circumstances, having regard to the interest of unit holders, and with the written interest of unit holders, and with the written consent of the Commission and the Trustee;
- (ii) the Manager shall immediately notify the Commission, and provide reasons therefor, if it believes that there is a serious danger that redemption of Units is about to cease or be suspended. Once a decision is reached to suspend redemption of Units and the Commission and the Trustee have so consented, the fact that dealing is suspended shall be published at least once a month during the period of suspension, in the newspaper in which the Unit Trust's prices are normally published,
- (iii) where redemption requests on any dealing day exceed ten per centum of the total number of units in issue, redemption requests in excess of the ten per centum may

be deferred to the next dealing day, provided the Commission is notified in writing of such deferral, and

- (iv) where a unit holder wishes to redeem Units which amounts to three per centum or more of the net asset value of the unit trust, the unit holder shall give at least one month's written notice to the Manager which shall forthwith notify such fact to the Trustee.
- (E) The Manager may, provided that the Trustee is satisfied that the price at which the Investments concerned are taken into the Trust and that the other terms are not such as are likely to result in any prejudice to the existing Holders, in its absolute discretion either on the occasion of the offer referred to in Clause 13, or subsequently from time to time, make such arrangements for the issue of Units to the Holders of Authorized Investments by way of exchange for such Investments upon such terms (including provision for the payment of costs, fees and expenses of and consequent upon such exchange and for the payment to the Manager of a Preliminary Charge and adjustments in each case not exceeding that permissible in the case of Units issued for cash) as the Manager may think fit.
- (F) The Manager may on the application of a Holder, effect the exchange of Units of this Trust for Units or shares of any other trust and may on the application of the holder of Units of any other trust exchange such Units for Units of this Trust; Any such exchange shall be effected on such terms as the Manager may determine provided that the Trustee is satisfied that the terms are such as not to prejudice the interests of the Holders of this Trust; For the purpose of any such exchange the Unit or Units (as the case may be) of any other trust to be surrendered shall be Valued at not less than their realizable Value as calculated in accordance with Clause 16 or with the appropriate provisions of the relative trust deed and the Unit or Units (as the case may be) of this Trust issued in exchange therefore shall be Valued at not more than the price at which they would have been issued for cash save that no account shall be taken of any Preliminary or similar charge or any rounding up adjustment. An exchange of Units of this Trust for Units of another trust shall be effected by the Holder surrendering his Units of this Trust to the Manager who shall thereupon pay to the Manager of the other trust concerned a sum representing the Value of the surrendered Units of the Trust calculated as aforesaid in consideration of the issue to that Holder of Units of the other trust to the same Value as the surrendered Units of this Trust. An exchange of Units of another trust for Units of this Trust shall be effected by the Manager of that trust paying on the surrender to it of Units of that trust by the Holder thereof a sum representing the Value of the surrendered Units calculated as aforesaid to the Manager who shall thereupon pay over such sum to the Trustee as an accretion to the Deposited Property and shall issue to the previous holder of the surrendered Units of the other trust, Units of this Trust to the same Value as the surrendered Units.
- (G) The Manager may at any time, with the approval of the Trustee, on giving not less than 21 days previous notice in writing to each Holder, determine that Units shall be sub-divided or consolidated and the Holders shall be bound accordingly. The Manager may, in such notice, require each Holder (who shall be bound accordingly) to deliver up his Certificate for endorsement or effacement with the number of Units to be represented thereby as a result of such sub-division or consolidation or may send or cause to be sent to each Holder by registered post at his risk or personally deliver to the Holder a Certificate representing the number of additional units to which he had become entitled by reason of such sub-division.
- (H) Notwithstanding any other provision herein contained, Unit Holders shall not be required to make further payment or to assume further liability, except as is expressly mentioned in this Deed.
- (I) The Manager shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same have been issued and of any Investments which they determine to direct to be purchased for account of the Trust and also a statement of any Investments which, in accordance with the powers herein contained, they determine to direct to be sold for account of the Trust and any other information which may be necessary so that the Trustee may be in a position to ascertain at the date of such statement

the Value of the Deposited Property. The Trustee shall be entitled to refuse to deliver a Certificate to the Manager if at any time the Trustee is of the opinion that the provisions of this Clause in regard to the issue of Units are being infringed; but nothing in this paragraph or elsewhere in this deed contained shall impose upon the Trustee any responsibility for satisfying itself before the delivery of Certificates that the Manager has complied with the provisions of this Clause or any responsibility for making any inquiries in that regard before such delivery.

CANCELLATION OF UNITS

- 15 (A) Subject to the provisions of Clause 16 thereof, the Manager shall have the exclusive right at any time by notice in writing delivered to the Trustee to effect reductions of the Trust by the surrender of Certificates to the Trustee for cancellation of some or all of the Units represented thereby or by requiring the Trustee to cancel some or all of the Units in existence but in respect of which no person is entered in the Register as the Holder thereof or in respect of which no Certificate is outstanding. Such notice shall state the number of Units to be cancelled and the amount payable to the Manager in respect thereof. Before giving notice to exercise such right it shall be the duty of the Manager to ensure that the Deposited Property includes (or will upon the completion of the sale of Investments agree to be sold include) cash sufficient to pay the amount payable to the Manager upon such reduction and the Manager shall if necessary realize any Investments forming part of the Deposited Property to raise sufficient cash to meet heavy demands for redemption.
- (B) In respect of any such cancellation of Units the Manager shall be entitled to receive out of the Deposited Property an amount per Unit ascertained by dividing the Value of the Deposited Property as at the close of business on the date of issue of such notice by the number of Units then issued and deemed to be in issue, after deducting therefrom such sum (calculated on the same basis as for the purposes of Clause 16) as the Manager may consider represents the appropriate allowance for Duties and Charges in relation to the realization of the Deposited Property.
- (C) The said amount shall be payable to the Manager on or as soon as practicable against surrender to the Trustee of the Certificate (if any) representing the Units to be cancelled and delivery to the Trustee of particulars of the Units to be cancelled in respect of which no person is entered in the Register as the Holder thereof or in respect of which no Certificate is outstanding. Upon such payment and surrender, the Units in question shall be deemed to have been cancelled and withdrawn from issue.
- (D) The right of the Manager to require cancellation of any Unit shall be suspended during any period when the right of Holders to require realization of Units is suspended pursuant to Clause 14(D) hereof.

REDEMPTION / REALIZATION OF UNITS

- 16 (A) (i) Subject to Clause 16(C) and 16(D) the Manager shall on receipt by it or by its duly authorized agent of a request in writing by a Holder (other than the Manager) to purchase/redeem from such Holder before such time as may be agreed between the Manager and the Trustee on a Dealing day, all or any part of the Units comprised in his holding at a price per Unit then in issue or deemed to be in issue, after deducting therefrom the exit fee of 1% on the redemption value for the first six (6) months of investment and no exit fee thereafter if applicable and such sum as the Manager may consider represents the contingent liabilities or appropriate allowances for Duties and Charges in relation to the realization of the Deposited Property and by adjusting the resulting quotient to the nearest cent. Provided that any Units so redeemed shall be cancelled by the Manager in terms of clause 15 and the notice of such cancellation shall be deemed to have been issued on the day on which such redemption took place.

- (ii) In the event that the Trustee shall at any time determine (after consultation with the Manager) that it would be detrimental to remaining Holders to realize or continue to realize Units at a price ascertained on the basis of the Value of the Deposited Property as described in this Clause then the Trustee shall instruct the Manager either to substitute such Value with the latest available Value or to adjust the realization price within the limits permitted by these presents. The Trustee may instruct the Manager to temporarily suspend the realization of Units during any period of consultation or adjustment arising from the provision of this sub-clause.
 - (iii) The Trustee and/or the Manager shall immediately inform the Commission if either of them believes that the redemption of Units is about to cease or be suspended.
 - (iv) If the redemption of Units is suspended, the fact of suspension must be published at least once a month during the period of suspension by advertisement in the local newspapers in the Sinhala, Tamil and English languages.
- (B) In relation to the provisions of Clause 16*(A) the following provisions shall apply:
- (i) No request to purchase shall be valid unless the Holder shall have delivered to the Manager or its authorized agent the Certificate or Certificates representing the Units to be purchased with the endorsement or endorsements thereon duly completed by the Holder or in the case of joint Holders, by both or all of them unless the holder has opted to obtain account statements in lieu of certificates. Any such duly completed endorsement shall, for all purposes of this Deed be deemed to be a transfer in favour of the Manager. In instances where the Unit holder has opted to obtain account statements in lieu of certificates the Manager shall accept as valid a request to purchase upon the verification of the holding in respect of which the request is made.
 - (ii) A Holder shall not be entitled to require the Manager,
 - (a) to purchase his Units otherwise than in such multiples as may from time to time be prescribed pursuant to Clause 3 (B) or
 - (b) to purchase part only of his Units if, as a result of such purchase, he would remain a Holder of less than such number of Units as may be prescribed from time to time (either generally or in any particular case) pursuant to Clause 3 (B) but so that in the event of such division or consolidation as is mentioned in Clause 14(G) having taken place any such prescribed number shall be proportionately increased or diminished (as the case may be).
 - (iii) The Manager may at its option dispense with the delivery as aforesaid of any Certificate which shall have become lost, stolen or destroyed upon compliance by the Holder with the like requirements to those arising in the case of an application by him for the replacement thereof.
 - (iv) Where a Holder intends to redeem Units which amount to 3% or more of the Deposited Property he shall give to the Manager at least one (1) month notice in writing of such intention, or as directed by the Unit Trust Code. The price applicable for the redemption of Units shall be the price prevailing on the Dealing day following the completion of the period of such notice.
 - (v) The price shall be payable to the Holder within fourteen (14) Business Days after the Dealing day on which the relevant Units are realized.
- (C) With a view to protecting the interests of all Holders, the Manager shall be entitled with the approval of the Trustee, to limit the total number of Units which Holders are entitled to realize without notice, and the Manager is entitled to have cancelled pursuant to Clause 15 hereof, on any Dealing day to one half of one per cent $\frac{1}{2}\%$ of the total number of Units in issue (disregarding any Units which have been agreed to be issued). Such limitation to be

applied pro rata to the Manager and all Holders who have validly requested realization on such Dealing day so that the proportion realized of each holding so requested to be realized (or, in the case of the Manager, to be cancelled under Clause 15 hereon) is the same for the Manager and for all such Holders. Any Units which, by virtue of the powers conferred on the Manager by this paragraph, are not realized or cancelled, as the case may be, shall be realized or cancelled (subject to any further application of the provisions of this sub-clause (D) on the next succeeding Dealing day. Provided that if on such next succeeding Dealing day the total number of Units to be cancelled or realized (as the case may be), including those carried forward from any earlier Dealing day, shall exceed the aforesaid limit. The Manager shall be entitled to further carry forward the requests for realization (or cancellation, in the case of the Manager) until such time as the total number of Units to be cancelled or realized (as the case may be) on a Dealing day fall within the aforesaid limit. If realization requests are carried forward as aforesaid, the Manager will give notice to the Holders of Units affected thereby within seven days that such Units have not been realized or cancelled and that (subject as aforesaid) they shall be realized or cancelled on the next succeeding Dealing day.

- (D) Any moratorium which may at any time be applied to payments in respect of stock exchange transactions or banking transactions shall apply equally to payments due from the Manager pursuant to this Clause or due to the Manager pursuant to Clause 15.
- (E) A Unit holder may instruct the Manager to switch his investments from the Trust to another Trust under the management of the Manager and the Manager shall comply with the same upon deducting the Exit Fee of 1% on the redemption value for the first six (6) months of investment and no exit fee thereafter, applicable as in the case of a realization of Units.

INVESTMENT OF DEPOSITED PROPERTY

- 17 (A) All cash and other property which ought, in accordance with the provisions of this Deed, to form part of, the Deposited Property shall be paid or transferred to the Trustee forthwith on receipt by the Manager subject to the provisions of clause 26(A)(ii) after creation of Units by the Manager. Immediately on creation of Units by the Manager for any consideration paid for new Units, such consideration shall become subject to the provisions of this Deed. All assets must be held by and be under the control of the Trustee; and all registerable assets must be registered in the name of or to the order of the Trustee. All cash shall be applied at the discretion of the Manager (but subject always to the provisions of this Deed) in the acquisition of Authorized Investments.

Provided that all or any amount of cash in any currency may during such time or times as the Manager may think fit be retained in current account or on deposit with any licensed Commercial Bank or any licensed specialized Bank or any financial institution approved by the Trustee. Where cash-forming part of the Deposited Property is so deposited interest payable shall be computed at a rate not below the prevailing rate for an Investment of that nature. Subject to the provisions of Clause 26 (C) any cash forming part of the Deposited Property which is deposited with the Manager for a period exceeding 72 hours or with any connected person of the Manager, interest must be received on the deposit at a rate not below the prevailing rate for a deposit of that term.

- (B) Investments comprised in the Deposited Property on ceasing to be Authorized Investments as hereinafter provided, shall be realized by the Manager and the net proceeds of realization shall be applied in accordance with the provisions of this deed but the Manager may, with the approval of the Trustee postpone the realization of any such Investments for such period as it may determine to be in the interest of the Holders.
- (C) Without prejudice to the foregoing or any other provision of this Deed, any Investments comprised in the Deposited Property may at any time be realized at the discretion of the Manager either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the

proceeds of sale in cash or on deposit as aforesaid or partly for one of such purposes and partly for another.

- (D) The Trustee shall, subject to the law for the time being in force, at the request of the Manager, have the power to deal for the purpose of investment, re-investment and realization of the Deposited Property in currencies other than the currency of Sri Lanka at the official rate of exchange for present or forward settlement and may pay any costs and commissions on such transactions out of the Deposited Property.
 - (E) The Trustee shall have sole responsibility for the safe-keeping of all Investments comprised in the Deposited Property, and wholly or partly represented by paper whether in bearer or registered form, or represented in any other article.
- 18 (A) Any acquisition of an Investment for account of the Trust may be made by subscription or by application and subject thereto any purchase or sale shall be made on the Recognized Stock Exchange or under the provisions of Clause 17(A) unless the Manager and the Trustees are satisfied that it is feasible to make such purchase or sale more advantageously in some other manner.
- (B) The Manager may invest in derivatives for hedging purposes only, provided such investments are permitted by the Commission and approved by the Trustee.

LIMITATION ON INVESTMENTS

- (C) Unless permitted by the Commission no investment shall be made which would result in:
- (i) Any shares traded in the secondary market, except those mentioned under "Authorised Investments" under definitions in clause 1(A).
 - (ii) Any investment for the purpose of gaining management control of a Company.
 - (ii) Any investment in unquoted securities, debentures or bonds, unless with the specific or general approval of the Commission.
 - (iii) Any investment which involves the trust in unlimited liability.
 - (v) Buy or sell commodities, commodity contracts, real estate or interest in real estate except that the Trust may invest in securities secured by real estate or interest therein or securities issued by companies that invest in real estate or interest therein.
 - (vi) Purchase any securities on margin (except that the Trust may obtain such short-term credit as may be necessary in the clearance of purchases and redemption of portfolio securities) or make short sale of securities or maintain a short position unless such sales are generally or specifically approved by the Commission.
 - (vi) Make loans to any persons without the consent of the Trustee, provided that for the purposes of this restriction the acquisition of Bonds, Debentures or other corporate debt securities and investments in Government Bonds short term Commercial Paper, Certificates of Deposit and Bankers Acceptances shall not be deemed to be making of a loan.
 - (viii) Underwrite securities except with the approval of the Trustee and the Commission.
 - (ix) Investment in futures or options and other derivative products.
 - (x) Investment in Investment Companies and Venture Capital Funds other than those quoted on a recognized Stock Exchange.

(D) It shall not be necessary for the Manager to effect changes of Investments merely because of appreciation or depreciation of the Value of the Investments of the Trust the limits prescribed by this Clause shall be exceeded or by reason of the said limits being exceeded as a result of:

- (i) the receipt by the Trustee or its nominee of any rights, bonuses or benefits in the nature of capital,
- (ii) any scheme or arrangement for amalgamation, reconstruction, conversion or exchange, or
- (iii) any redemption

(E) The Manager shall at all times ensure a level of liquidity in the form of cash or near cash in compliance with the requirements specified in the Unit Trust Code

The expression "near cash" in this sub-clause shall have the same meaning as defined in the Unit Trust Code.

19 (A) Subject to the provisions of this Clause, the selection of all Investments (whether partly paid or not) shall in all respects be the responsibility of the Manager solely and not of the Trustee.

(B) Subject to the prior approval of the Trustee, the Manager may apply any part of the Deposited Property in the acquisition of any Investment which is for the time being partly paid only or otherwise in the opinion of the Trustee likely to involve the Trustee in any liability (contingent or otherwise) In any such case, the Trustee shall be entitled but not bound to appropriate and set aside cash or other property approved by the Manager and acceptable to the Trustee sufficient to provide for paying up such Investment in full or (as the case may be) for meeting other liability. The cash or other property so appropriated shall form part of the Deposited Property but shall not be available for application without the consent of the Trustee in any way otherwise than as may be required for paying up the Investment or meeting the liability in respect of which the appropriation was made so long as and to the extent that such Investment remains partly paid and part of the Deposited Property or (as the case may be) such liability continues in relation to the Deposited Property.

(C) The Trustee shall be entitled at any time at its entire discretion and by giving sufficient reasons to give notice to the Manager that it is not prepared to accept the transfer of any property which, in the opinion of the Trustee, infringes the terms of this Deed and the Trustee shall be entitled to require the Manager to deposit in place of any such property other property acceptable to the Trustee.

INVESTMENT ADVISORY PANEL & CRITERION FOR SELECTION OF STOCKS FOR THE FUND

20(A)(i) The Manager shall establish an Investment Advisory Panel for the selection of the stock subject to the criterion laid down below and to advise the Manager as to the investment of the Deposited Property. The members of the Panel shall be appointed and removed by the Manager.

(ii) *The said criterion being as stated below :*

(a) *Subject to paragraph (b) and (c) hereof, cash or near cash available will be subscribed in IPOs up to the maximum amount permitted by SEC.*

(b) *any investment approved by the Commission, the Investment Advisory Panel and the Trustee in writing, up to the maximum amount permitted by the SEC directives and guidelines from time to time*

(c) any deposit in Treasury Bills, Re-Purchase Agreement and bank/call deposits with maturities of less than 3 months, commercial paper endorsed or guaranteed by a licensed commercial banks or licensed specialised banks under the Banking Act No. 33 of 1988 with maturities of less than 3 months and Government Securities including Government Bonds with maturities of less than one (01) year that can be readily convertible into cash. In the case of licensed specialised banks, the approval of the Commission shall be required

(d) any Treasury Bills or Re-Purchase Agreement with Primary Dealers Licensed by the Central Bank with a maturity period of less than three months, subject to the authorized investment percentages in terms of the scheme applicable to the Fund and does not include any investment in real estate or any investment prohibited by the Commission.

(B) The Manager shall be responsible for paying the remuneration of the Members of the *Investment Advisory Panel* and all reasonable charges incurred by the *Investment Advisory Panel* in the course of its duties. The Trustee shall not be liable to the members of the *Investment Advisory Panel* for any remuneration or otherwise.

(C) The Trustee and the Manager and the members of the *Investment Advisory Panel* shall not incur any liability to the Holder merely by the reason of the Trustee or the Manager having acted or having not acted upon the advice of the *Investment Advisory Panel*.

DISTRIBUTIONS

21. The Manager may, at its sole discretion, decide the time and quantum of distribution by notice in writing and recommend to the Trustee to distribute a minimum of 50% of the net income of the Trust to Holders on an annual basis in accordance with such method of calculation as the Trustee and the Manager may agree having regard to the provisions of this Deed.

22. All income shall as and when received by the Trustee be paid into a special account (the "Income Account") and shall be held therein pending disbursement of expenses, distribution or capitalization as the case may be in accordance with provisions of this deed. The proceeds of sales of rights and all other receipts deemed by the Manager after consulting Auditors to be in the nature of capital accruing from Investments shall not be regarded as income but shall be retained as a part of the capital of the Deposited Property. The Income Account shall show payments made there from but a cash book will be maintained which will show separately the income and capital receipts vis-à-vis the payments aforesaid.

In the event of a distribution being made, an appropriate amount shall be transferred out of the Income Account and paid into a special account (the "Distribution Account") and the amount standing to the credit of the Distribution Account shall not for any of the purposes of this Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute the same as herein provided.

23 (A) In the event of a distribution being made the amount of net income qualifying for distribution in respect of the relevant period shall be ascertained by deducting:

(i) the Management Participation for the relevant period (if the Manager decides to deduct the Management Participation out of income), and

(ii) all interest paid during the relevant period (together with any amount of interest accrued but remaining unpaid at the end of the relevant period) on any borrowings affected by the Trust for the time being outstanding from the total net amount receivable by the Trustee in respect of such period of all interest dividends and all such other receipts deemed by the Manager after consulting the Auditors to be in the nature of income and by making such permitted adjustments hereinafter mentioned as

the Manager after consulting the Auditors may think fit and appropriate to the circumstances.

Permitted adjustments shall be:

- (a) addition or deduction of a sum by way of adjustments to allow for the effect of sales or purchases ex or cum dividend,
 - (b) addition of a sum representing any interest or dividends accrued but not received by the Trustee at the end of the relevant period and deduction of a sum representing (to the extent that an adjustment by way of addition as been made in respect of any previous such period) and interest or dividends accrued at the end of the previous such period. Income from an investment quoted on a Stock Exchange shall be deemed to have accrued on the first date on which that Investment is quoted ex such income. Income from any other Investment shall be deemed to have accrued on the date which, in accordance with the normal practice of the Manager is treated as being the first date on which the Value of such investment would, for the purpose of this Deed, be calculated excluding such income,
 - (c) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon the cancellation of Units upon a reduction of the Trust during the relevant period,
 - (d) deduction of all professional fees (including disbursements in connection with matters pertaining to the affairs of the Trust and of any expenses incurred by the Trustee in effecting registration or safe custody of the documents of title to all Investments held upon the trusts of this Deed,
 - (e) addition or deduction of such sum as the Auditors shall certify to be appropriate to take account of liability to tax and of repayment receivable or received on account of double or other tax relief and,
 - (f) deduction of a sum representing expenses directly incurred in effecting maintaining and terminating of borrowings and which in the opinion of the Manager and the Auditors are properly payable out of income.
- (B) In the event of a decision being made for distribution the amount of net income qualifying for distribution in respect of the relevant period having been computed the Manager shall determine and recommend the amount to be distributed which shall not exceed the amount qualifying for distribution.
- (C) In the event a distribution is made the Manager shall cause to be made up and audited a statement showing the net amount qualifying for distribution in respect of the relevant period. The statement with the Auditor's report annexed shall be filed with the Trustee and shall be conclusive and binding on all Holders and copies hereof shall be open for inspection during usual business hours by any Holder at the office of the Manager. The Trustee and the Manager shall be absolutely protected in relying on and shall act upon such an audited statement.
- (D) Neither the Manager nor the Trustee shall be responsible for any error in any estimates of tax repayments expected to be obtained or of any sums payable by way of taxation and if the same shall not prove in all respects correct, any deficiency or surplus shall be adjusted on the next subsequent distribution and the amount already distributed or added to capital (as the case may be) shall not require to be adjusted.
- (E) If any distribution is made in respect of an Accounting Period during which an Unit is issued and/or redeemed by the Manager (but not otherwise) then the first such distribution and any subsequent distribution so made following the issue or redemption thereof shall be

the same net amount as the distribution to be made in respect of other Units but shall be or shall include a capital sum which shall be equal to the Equalization Payment in respect of such Units provided that such capital sum may if the Manager think fit and the Auditors so agree be a sum ascertained by dividing the aggregate of all such Equalization Payments relating to the relevant accounting period by the number of Units in respect of which such capital sum is payable.

- (F) In the event that any of the income to be distributed is unclaimed by the Holder three years after the date of distribution, the Holder and any person claiming through, under, or in trust for him shall forfeit any right thereto. Such amount shall become part of the assets of the fund.
- (G) Every Holder may elect by notice in writing, to receive in lieu of his entitlement to a distribution the equivalent in Value of further Units. Subject to the provision of this Deed, the Manager shall in such event issue such equivalent number in Value of Units, notwithstanding Clause 38 of the Deed and apply the Holders' entitlement to a distribution in full payment therefore and any fractional entitlement or cash therefore shall be retained by the fund. No front-end fee will be applicable in respect of reinvestments.
- (H) The Manager may from time to time after consulting the Auditors and with the approval of the Trustee distribute amongst the Holders in accordance with the number of Units held, an amount which represents part of the capital of the deposited property provided that the Trustee is satisfied that any such distribution shall not result in any prejudice to the interests of the Holders.

PAYMENTS

- 24 (A) Any monies payable by the Manager or Trustee to a Holder in respect of any Unit under the provisions of this Deed may be paid by crossed cheque made payable to the order of such Holder and sent by registered post to his address or in the case of joint Holders made payable to the order of the first named of such joint Holders and sent by registered post to the address of that joint Holder who is first names on the Register. Every such posting shall constitute a satisfaction of the monies payable and shall be a good discharge to the Manager and the Trustee. Where an authority in writing in that behalf shall have been received by the Manager from the Holder or in the case of joint Holders from all of them in such form as the Manager shall consider sufficient the Manager shall pay the amount distributable to the Holder or joint Holders as the case may be to his or their banker or other agent as specified in the said authority in the same manner and with the same effect as hereinbefore provided as though such baker or other agent were the sole Holder. No amount payable to any Holder shall bear interest.
- (B) Before making any payment in or outside Sri Lanka in respect of any Unit, the Trustee or the Manager may make such deductions as the Trustee or the Manager is required or entitled by the relative law for the time being in force in or outside Sri Lanka, in respect of any income or other taxes, charges or assessments whatsoever.
- (C) The Manager shall at the request of the Trustee or shall otherwise be at liberty to credit to the Deposited Property any unclaimed monies due to a Holder and not claimed within six (6) months after payment as provided in this Clause. Upon such credit being made, such monies shall be deemed to have been paid off or satisfied in accordance with the provisions hereof.
- (D) In respect of each Accounting Period the Manager shall issue to the Holder concerned such tax certificates as may from time to time be required, and prepared by the Auditors or by the Manager in a form to be approved by the Trustee and by or on behalf of the taxation authorities. On liquidation of the Trust, each tax certificate shall show what proportion of the distribution represents capital and what proportion represents income. The Manager shall prepare and deliver all cheques, warrants, statements, accounts, Certificates and notices which the Trustee has to issue, send or serve as in this Deed provided, to stamp the

same and to deposit the same (together with the necessary stamped addressed envelopes) with the Trustee so as to afford the Trustee reasonable time to examine and check the same and to sign such cheques, warrants, statements, accounts, Certificates and notices and dispatch them on the day on which they ought to be dispatched.

ACCOUNTS

- 25 (A) (i) The accounts of the Trust shall be prepared in accordance with the provisions of the Companies Act No.17 of 1982 and Act No. 7 of 2007 and the Sri Lanka Accounting Standards applicable in Sri Lanka in respect of each financial year.
- (ii) The responsibility for the keeping and maintaining of the accounts pertaining to the Unit Trust and the preparation, publication and distribution of any reports and the frequency of the preparation, publication and distribution of the same shall be in accordance with the provisions of the Unit Trust Code.
- (iii) The accounting period of the Manager and the Trust shall coincide wherever possible.
- (iv) Any transaction between the Unit Trust and the Manager or any connected person as principal may only be made with the prior written consent of the Trustee. All such transactions shall be disclosed in the Unit Trust's annual report as per the Unit Trust Code Rule 27.
- (v) Any transaction between the Unit Trust and an associate, joint venture, subsidiary or holding company of the Manager, shall be with the prior written consent of the Trustee. All such transactions shall be disclosed in the Unit Trust's annual report as per the Unit Trust Code Rule 27.
- (vi) For the purpose of this rule, an 'Associate' means an enterprise in which the Manager has significant influence and which is neither a subsidiary nor a joint venture of the Manager. 'Significant influence' will have the same meaning and description as started in the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

AUDIT OF ACCOUNTS

- 25 (B) The Trustee shall procure accounts of the Trust to be forwarded to Holders annually not later than three months after the end of the Accounting Period to which they relate. Such accounts shall relate to the period (in the case of the first accounts) from the date of this Deed and (in the case of subsequent accounts) from the end of the period to which the previous accounts related.
- (C) Such accounts shall be audited by the Auditors and shall be accompanied by a Certificate issued by them in accordance with the Companies Act No.17 of 1982 and Act No. 7 of 2007 and to the effect that their examination was made in accordance with Sri Lanka auditing standards and that they had obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purposes of their audit and that in their opinion proper books of account have been maintained by the Trust and such Certificate shall also state whether the Balance Sheet and Profit and Loss Account are in agreement therewith and comply with the requirements of the Companies Act No.17 of 1982 and Act No. 7 of 2007, and whether they give a true and fair view of the state of affairs of the Trust as at the relevant date.
- (D) The Auditors shall be independent of the Manager and Trustee. The Auditors shall be appointed by the Trustee in accordance with the provisions of the Unit Trust Code and with the approval of the Securities & Exchange Commission of Sri Lanka who shall have the power to withdraw its approval. Subject to the provisions of Clause 25(D), the Auditors shall hold office until such time as they may voluntarily retire by notice in writing to the trustee.

The Trustee with the consent of the Manager, may from time to time, removes the Auditors and appoint other Auditors in their place, subject to SEC approval.

- (E) Save as otherwise herein provided the fees and expenses of the Auditors shall be paid by the Trustees and charged to the Deposited Property.
- (F) The appointment as Auditors of the Unit Trust shall be of persons having the qualifications specified by the rules of Commission. Such Auditors may be required by the Commission to retire when they cease to possess such qualifications, if the said rules shall so require. The provisions of this clause shall operate notwithstanding the provisions of clause (A) to (E) above.

COVENANTS BY THE MANAGERS AND TRUSTEE

26 (a) The Manager hereby covenants that it will:

- (i) use its best endeavors to carry on and conduct its business and ensure that the Trust is carried on in a proper and efficient manner,
- (ii) pay to the Trustee (or as it may direct) within three (3) working days under normal circumstances after creation of units any monies which are payable hereunder by the Manager to the Trustee, however, this time bar could be varied in exceptional circumstances with the approval of the Trustees. The Manager will be responsible for any money which is payable to the Trustees till such time that it is transferred to the Trust Fund Account.
- (iii) not sell any Units otherwise than on the terms and at a price calculated in accordance with the provisions hereof,
- (iv) (at the request of a Holder) purchase any Units held by him on the terms and at a price calculated in accordance with the provisions hereof,
- (v) (to the same extent as if the Trustee were a Director of the Manager)
 - (a) make available to the Trustee or the Auditor appointed by it, for inspection, the whole of the books of The Manager whether kept at the registered office of the Manager or elsewhere and
 - (b) give to the Trustee or any such Auditor such oral or written information as it or he requires with respect to all matters relating to the Trust.
- (vi) make available or ensure that there is made available to the trustee such details as the Trustee requires with respect to all matters relating to the Trust,
- (vii) summon a meeting of Holders for the purpose of transacting the business for which such Holders had made a request, within thirty (30) days after an application is delivered to the Manager at its registered office, being an application by Holders of not less than one-fifth of the Units:
 - (a) by sending notice by post of the proposed meeting at least twenty-one (21) days before the proposed meeting to each of those Holders in accordance with Clause 43, and/or
 - (b) by publishing at least twenty-one (21) days before the proposed meeting an advertisement giving notice of the meeting in daily newspapers circulating generally in Sri Lanka in the Sinhala, Tamil and English languages.

- (viii) appoint a designated Compliance Officer who will be responsible for ensuring that the Manager and its Directors, Officers and employees comply with the laws, rules, directives and Codes pertaining to the operation of the Trust, within three (3) months of the signing of this Deed, and,
 - (ix) act generally in compliance with the provisions of this deed, the Unit Trusts Code and other applicable laws, rules and regulations, wherever relevant.
- (B) The Trustee hereby covenants that it will:
- (i) [Subject to the provisions of Clause 32(B), (C) and (D)], exercise due diligence and vigilance in carrying out its functions and duties and in watching the rights and interests of Holders,
 - (ii) keep or cause to be kept proper books of accounts in relation to those interests,
 - (iii) cause those accounts to be audited at the end of each Accounting Period by the Auditors,
 - (iv) send or cause to be sent by post a statement of the accounts with the Report of the Auditors thereon to each Holder, in accordance with Clause 25 and
 - (v) generally to act in compliance with the provisions of this deed, the Unit Trusts Code and applicable laws, regulations and rules wherever relevant.
- (C) The Manager and the Trustee hereby covenant that no monies available for investment hereunder will be invested in or lent to the Manager or to the Trustee or to any connected person, except where the Trustee is also a Bank or where prior written approval of the Securities and exchange Commission of Sri Lanka has been obtained for such investment or lending.
- (D) The Manager and the Trustee covenant with each other and with each of the Holders that, neither the Manager nor the Trustee will exercise the right to vote in respect of any shares relating to Units held by the Manager or the Trustee at any election of directors of a corporation whose shares are so held without the consent of the majority of Holders present in person and voting given at a meeting of Holders summoned in the manner herein provided.
- (E) The Trustee, the Manager and their Connected Persons shall disclose their interest whenever any business in which they have a material interest is being discussed at any meeting of the Holders. If at such a meeting any resolution be passed by voting by proxy, and more than 50% of those present at such meeting object to such resolution so passed, such objection may be submitted in appeal to the Commission whose decision shall be final.
- (F) If an approved authorized Stock Broker is under common control with the Manager or the Trustee, this fact shall be disclosed in the prospectus and to the Securities and Exchange Commission; any special commission negotiated with such Broker shall also be disclosed to and approved by the Securities and Exchange Commission.
- 27 (A) Except as otherwise expressly provided, all rights of voting conferred by any of the Deposited Property shall be exercised in such manner as the Manager may in writing direct and the Manager may refrain at its own discretion from the exercise of any voting rights and no Holder shall have any right to interfere or complain. The Trustee shall without any delay forward to the Manager all notices of meetings, reports and circulars received by it or its nominee as holder of any investment and shall (so far as it is permitted by law or by rules and regulations of the corporation any part of the shares of which constitute investments so to do) upon the written request of and at the expense of the Manager from time to time execute and deliver or cause to be executed or delivered to the Manager or its nominees such powers of attorneys or proxies as may reasonably be required in such name or names as the Manager may reasonably request authorizing such attorneys and proxies to vote

consent or otherwise act in respect of all or any part of the Deposited Property. The Manager shall be entitled to exercise the said rights in what it may consider to be the best interest of the Holders but neither the Trustee nor the Manager nor any such representative nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of act or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or Manager or by any such representative or by the Holder of such proxy or power of attorney; and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Manager or by such representative proxy or attorney.

- (B) The expression "right of voting" and the term "vote" used in this Clause shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

REMUNERATION OF MANAGER AND TRUSTEE

- 28 (A) (i) The Management Participation shall be a sum not exceeding such percentage as is hereinafter mentioned of the Value of the Deposited Property. The Management Participation shall begin to accrue from the closing date of the first offer of Units, from day to day on the Value of the Deposited Property as estimated each day.
- (ii) The amount of Management Participation so accruing as aforesaid shall be computed as at the dealing day of each week and shall be payable to the Manager / and Trustee in arrears at the end of each calendar month or each quarter as may be determined by the Trustee and the Manager. In respect of any period other than a full calendar month, the amount payable shall be computed based on the number of days for which it has accrued as a proportion of the total number of days in the calendar month concerned.
- (iii) Out of the Management Participation referred to above, the amount that would accrue to the Manager shall not exceed a fixed fee of 1% per annum of the Deposited Property plus an additional 1/20th of the net return charged quarterly or such other or higher percentage as may be fixed by Agreement supplemental hereto sanctioned by an Extraordinary Resolution at a meeting of the Holders duly convened and held pursuant to the provisions of the Schedule hereto. Provided that the Manager may from time to time by at least three (3) months notice in writing to the Trustee and all Unit Holders fix as the appropriate percentage some smaller percentage than that hereinbefore provided and in that event and for such period as may be specified in such notice (or if no period is so specified then until further notice in writing shall be given to the Trustee canceling the previous notice) such small percentage shall be the appropriate percentage but any such notice shall be ipso facto cancelled upon the Manager who gave such notice in writing as aforesaid ceasing to be the Manager of the Trust.

Net Return shall be calculated as follows:

Increase in Net Asset Value per unit

- (iv) The Management Participation shall be payable out of the capital or income of the Deposited Property as the Manager in its discretion shall decide.
- (v) Out of the Management Participation Manager's remuneration shall be paid to the Manager and Trustee remuneration shall be paid to the Trustee as soon as possible after the respective dates by reference to which it is calculated pursuant to paragraph (ii) of this sub-clause. Provided that unless and until the Trustee shall be satisfied that adequate provision has been or will be made for the future management expenses of the Trust including the remuneration of the Trustee the Trustee shall have a lien on

and shall be entitled to retain the Manager's remuneration for the purpose of paying, discharging or providing for such expenses including its remuneration and shall pay to the Manager only the balance (if any) after all such payments, discharges or provisions have been made.

- (B) The remuneration of the Trustee shall not be an amount not more than one quarter of one per centum (1/4%) of the value of the Trust accruing from day to day, and payable in arrears at the end of each month out of the income or capital of the Trust, and a computed in the same manner as the Management Participation under the preceding Clause (A). The Trustee shall in addition to such remuneration, be entitled to be paid on demand, Custodial fees out of the income or capital of the Trust.
- (C) The Manager shall be responsible for the payment of all expenses incurred from time to time in connection with the management of trusteeship of the Trust, except such expenses as are expressly authorized hereunder to be payable out of the income or the capital of the Deposited Property.
- (D) The following other expenses may be paid by the Trustee out of the Deposited Property, provided that adequate disclosure of such expenses is provided to Unit Holders
 - (a) the cost of dealing in the Deposited Property;
 - (b) taxation and duties payable in respect of the Deposited Property of the issue of Units;
 - (c) any costs incurred in the preparation or modification of the Trust Deed;
 - (d) any costs incurred in respect of meetings of Unit Holders;
 - (e) the fees of the Trustee;
 - (f) the audit fees of the auditor and any expenses of the auditor;
 - (g) licensing fees imposed by the Commission;
 - (h) all direct and indirect taxes imposed by the Government from time to time that are required to be charged to the Deposited Property;
 - (i) legal expenses incurred in safeguarding the Deposited Property; and
 - (j) any other fee approved by the Commission and specified in the Trust Deed;

CONCERNING THE ADMINISTRATION OF THE TRUST

29. (A) Neither
- (i) the Trustee, nor
 - (ii) the Manager, nor
 - (iii) any company controlled by either of them, nor
 - (iv) any person, firm or corporation entitled to exercise any powers of discretion pursuant to a delegation by the Manager made under Clause 33 and 34 hereof (which person, firm or corporation is hereinafter referred to as "a delegate"),

shall as principal sell or deal in the sale of investments to the Trustee for account of the Trust or vest Investments in the Trustee against the issue of the Units or purchase investments from the Trustee and each shall (without incurring any liability for failure so to do) use its best endeavors to procure that no such sale or dealing or vesting shall be made by a connected person of the Trustee or Manager.

Provided that nothing shall prevent any sale for account of the Trust of an investment to or any purchase for account of the Trust of any investment from the Trustee, custodian or manager of any other Unit trust scheme or mutual fund company or investment company for account of such scheme or company notwithstanding that the Trustee and/or the Manager may be interested in the Trustee or the custodian or the Manager or any body of persons, firm or corporation to whom any investment power or corporation to whom any

investment power or discretion may have been delegated under or by such scheme or company. Provided that:

- (i) the Value of the investment in question is certified in writing for the purpose of the transaction by a member of the Stock Exchange or other professionally recognized person, and
- (ii) the Trustee shall be of the opinion that the terms of such transaction shall not be such as are likely to result in any prejudice to Holders.

For the purpose of this sub-clause the expressions "mutual fund company" and "investment company" shall mean and include any company carrying on the business of holding and managing investments and the word investment does not include cash deposits with Banks.

- (B) Subject to the next succeeding clause nothing in these presents contained shall prevent the Trustee or the Manager or any connected person from becoming the owner of Units and holding, disposing or otherwise dealing with the same, with the rights which they would have had if neither the Trustee nor the Manager nor any connected person were a party to or a connected person for purposes of these presents and the Trustee and the Manager and any such connected person may buy, hold and deal in any investments upon their respective individual accounts notwithstanding that similar investments may be held under these presents as part of the deposited property.
- (C) Every transaction between the Manager or any connected person and the Trust shall be approved in writing by the Trustee and such transaction will be disclosed in the annual report of the Fund.
- (D) No Units shall at any time be quoted or sold by or for account of the Manager at a price higher than the Issue Price for the time being applicable to Units issued for cash pursuant to these presents. No Units shall at any time be quoted or purchased by or for account of the Manager at a price lower than the realization price for the time being applicable to Units realized by the Manager pursuant to these presents. The Trustee shall not be responsible to verify the price of any such quotation or dealing unless on any occasion specifically requested by the Holder or former Holder of the Units connected to do so not later than one (1) month after the date of such quotation or dealing but the Manager shall justify such quotation or dealing if so requested by the Trustee at any time.
- (E) Neither the Trustee nor the Manager shall be liable to account either to the other of them or to the Holder or any of them for any profits or benefits made or delivered by or in connection with any such transaction permitted as aforesaid.
- (F) Nothing herein contained shall be construed so as to prevent the Manager and the Trustee in conjunction or the Manager or the Trustee separately from acting as Manager or Trustee for other trusts separate and distinct from the Trust.
- (G)
 - (i) The Trustee and the Manager may accept as sufficient evidence of the value of any investment thereof a certificate by a member of the Stock Exchange.
 - (ii) At all times and for all purposes of these presents the Trustee and the Manager may rely upon the established practice and rulings of the Stock Exchange and any Committees and officials thereof on which any dealings in any authorized investment is from time to time affected in determining which shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under these presents.
- (H) Neither the Manager nor the Trustee shall be liable to account to any Holder or otherwise for any payment made or suffered in good faith to any duly empowered fiscal authority of Sri Lanka or elsewhere for taxes or other charges in any way arising out of or relating to

any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to or need not have been made or suffered.

- (I) In no event shall a Holder have or acquire any rights against the Trustee and the Manager or either of them save such as are expressly conferred upon such Holder by this Deed nor shall the Trustee be bound to make any payment to any Holder except out of the funds held be or paid to it for that purpose under the provisions of this Deed. Provided however that nothing herein shall exempt the Trustee from or indemnify it against any breach of trust occasioned by fraud or negligence as set out in Clause 32(E).
- 30 (A) Neither the Trustee nor the Manager shall incur liability in respect of any action taken or thing suffered by either of them in good faith in reliance upon any notice, resolution, direction, instruction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or (without prejudice to the generality of the foregoing) other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- (B) Neither the Trustee nor the Manager shall incur liability for doing or (as the case may be) failing to do any act or thing which, by reason of any provision of any present or future law or regulation made pursuant thereto or of any decree, order or judgment of any court or by reason of any direction, request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any Government (whether legally or otherwise) either the Trustee or the Manager shall be directed or requested to do or perform or to forbear from doing or performing, or if for any reason it becomes impossible to perform any of their obligations hereunder.
- (C) Neither the Trustee nor the Manager shall be responsible for the authenticity of any signature on or any seal affixed to any endorsement or any Certificate or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorized signature on or a seal affixed to such endorsement, transfer or other document or for acting or for acting on or, effect to any such forged or unauthorized signature or seal. The Trustee and the Manager respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or joint Holders to any document required to be signed by him under or in connection with these presents shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.
- (D) Any indemnity expressly given to the Trustee and/or the Manager in these presents is in addition to and without prejudice to any indemnity allowed by law. Provided nevertheless that nothing in any of the provisions of these presents shall in any case in which the Trustee and/or the Manager, as the case may be, have failed to show the degree of diligence and care required by them by the provisions of these presents exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty of trust of which they may be guilty in relation to their duties.
- 31 (A) Any investment in remittable form shall, unless otherwise instructed by the Trustee, be registered in the name of the Trustee or its nominee as soon as reasonably practicable after receipt of the necessary documents by the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed. The Trustee shall be liable for any acts or omissions of the nominee with whom any investments in bearer form are deposited, as if they were its acts or omissions in relation to any such investments. The Trustee shall be entitled if it considers that it is expedient to do so to cause to be deposited in safe custody with any banker or other agent of the Trustee the documents of title to any investments held upon the Trust of this Deed. Subject as aforesaid the Trustee shall retain the documents of title to all investments held upon the trusts of this Deed in its possession in safe custody. Any expenses of whatever nature incurred by the Trustee in effecting such registration or providing such safe custody shall be payable out of the income or the deposited property. Notwithstanding the provisions of this sub-clause the Trustee shall be entitled if it considers

that it is expedient to do so to deposit with any banker the documents of title of any investments held upon the trusts of this Deed for the purpose of securing any borrowings effected by the Trust.

- (B) The Trustee (or the Manager on its behalf) shall (subject as hereinafter provided) be entitled to destroy;
- (i) all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof;
 - (ii) all Certificates and distribution mandates which have been cancelled at any time after the expiration of three (3) years from the date of cancellation thereof;
 - (iii) all notifications of change of address after the expiration of three (3) years from the date of the recording thereof;
 - (iv) all forms of proxy in respect of any meeting of holders one (1) year from the date of the meeting at which the same are used, and
 - (v) all registers, statements and other records and documents relating to the Trust at any time after the expiration of six (6) years from the termination of the Trust.
 - (vi) all accounts books and other documents forming the basis of financial statements and reports referred to in section 28 of the Unit Trust Code after a period of five (5) years.

Neither the Trustee nor the Manager shall be under any liability whatsoever in consequence thereof and unless the contrary be proved, every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered and every Certificate so destroyed shall be deemed to have been a valid Certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof.

Provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant,
 - (b) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Manager any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled,
 - (c) reference herein to the destruction of any document include references to the disposal thereof in any manner,
- (C) The Trustee shall maintain or cause to be maintained a Register setting out all particulars of the documents and all other materials destroyed under the preceding Clause (B) and the date of such destruction together with the authority for such destruction and such Register shall not be destroyed for a period of twenty (20) years from the date of the last entry thereon.
- (D) The Trustee and the Manager shall be entitled to rely absolutely on any declaration of residence which may be received from a holder, or a prospective holder or applicant for Units.

CONCERNING THE TRUSTEE

32 (A) With regard to any provision in this Deed:

- (i) providing for any act or matter to be done by the Trustee such act or matter may be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee appointed by the Trustee with the approval of the Manager and any act or matter so performed shall be deemed for all purposes of this Deed to be the act of the Trustee, and
- (ii) as to the vesting of Investments such provision shall be deemed also to relate to any nominee of the Trustee. The Trustee shall be entitled to procure:
 - (a) any officer or responsible official of the Trustees jointly with the Trustees or
 - (b) any nominee approved by the Manager, or
 - (c) any such nominee and the Trustee,

to be registered as proprietor of any Investment held upon the trusts of this Deed. Provided always that the Trustee shall remain liable for any act or omission of any such person or nominee in relation to any Investment of which such person or nominee is registered as proprietor.

- (B) The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Manager. Whenever pursuant to any provision of this Deed any Certificate, notice, direction, instruction or other communication is to be given by the Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Manager by any person whose signature the Trustee is for the time being authorized in writing by the Manager to accept.
- (C) The Trustee may accept as sufficient evidence of the value of any Investment or foreign currency or the cost or sale price of any investment or any Stock Exchange quotation or of any other matter within his competence a certificate by an Approved Broker.
- (D)
 - (i) The Trustee may act upon any advice or information obtained from the Manager or any bankers, accountants, brokers, lawyers, or other persons acting as advisers of the Trustee or the Manager and the Trustee shall not be liable for anything done or omitted or suffered in good faith in reliance upon such advice or information. Any such advice or information may be obtained or sent by letter, telegram/telex authenticated telex message or cablegram and the Trustee shall not be liable for acting on any such advice or information purporting to be conveyed as above.
 - (ii) The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment or want of prudence on the part of the Manager or any such person acting as adviser of the Trustee or the Manager.
- (E) Except in and so far as herein otherwise expressly provided the Trustee shall as regards all the trusts, powers, authorities and discretion vested in it have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner of or as to the time for the exercise thereof. Nothing in this Deed shall exempt the Trustee from nor indemnify it against breaches of trust through fraud or willful neglect.
- (F) Nothing herein contained shall prevent the Trustee from purchasing, holding, dealing in or disposing of Certificates or Units or from acting as bankers to the Trust or from at any time contracting or entering into any financial banking insurance or other transaction with the Manager or any holder or any company or body in relation to any of the securities

forming part of the deposited property or from being interested in any such contract or transaction or from holding any shares or any investment in any such company or body and the Trustee shall not be in anywise liable to account either to the Manager or to the Holders or any of them for any profits or benefits made or derived by the Trustee thereby or in connection therewith.

- (G) The Trustee shall not be under any obligation to appear in prosecution or defend any action, suit, arbitration or inquiry in respect of the provisions hereof or in respect of the deposited property or any part thereof or any corporate or shareholder's action which in its opinion would or might involve it in expenses or liability unless the Manager shall so request in writing in which case it shall so often as required by the Trustee furnish it with an indemnity satisfactory to it against any such expense or liability.
- (H) It is the responsibility of the Manager to indemnify the Trustee on account of the Trust for any breach of duty of the Manager. However, the Trustee shall be entitled to charge any legal fees incurred in safeguarding the deposited property as per the Unit Trust Code section 12 (1).
- (I) Before making any distribution or other payment in respect of any Unit or in respect of the Management Participation the Trustee may make such deductions as by local law or by the law of any other country in which such payment or distribution is to be made the Trustee is required or entitled to make in respect of any income or other taxes, charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other Governmental taxes or charges payable by it or for which it might be made liable in respect of such distribution or any documents signed by it or by a Holder or his agent in connection therewith.
- (J) The Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.
- (K) The Trustee shall deposit security guaranteeing against loss due to its misconduct or negligence when required by the Commission.

CONCERNING THE MANAGER

- 33 (A) The Manager shall keep or cause to be kept at its own expense proper books of account and records in which shall be entered all transactions effected by The Manager for account of the Trust and shall permit the Trustee from time to time on demand to examine and take copies of or extracts from any such books of account or records.
- (B) In the absence of gross negligence or willful default the Manager shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith hereunder and shall not (save as herein otherwise provided) be liable for any act or omission of the Trustee. Provided that nothing in these presents shall exempt the Manager from any liability imposed on it by law nor shall indemnify it against such liability at the expense of the Unit Holders.
- (C) Nothing herein shall prevent the Manager from contracting or entering into any financial banking or other similar transaction with the Trustee (when acting other than in its capacity as Trustee of the Trust) or any Holder or any company or body any of whose shares or securities form part of the Deposited Property or from being interested in any such contract or transaction and the Manager shall not be in anywise liable to account either to the Trust or to the Trustee or to the holders of any of them for any profit or benefit made or derived by the Manager, thereby or in connection therewith. Notwithstanding the foregoing provision the Manager must secure the Trustee's prior written approval for any transaction

(other than a transaction with the Trustee) by the Manager as principal with such Holder, company or body.

- (D) The Manager shall be entitled to delegate its functions, powers, discretion, privileges and duties hereunder or any of them to any persons, firm or corporation approved in writing by the Trustee and any such delegation may be on such terms and conditions as the Manager thinks fit (including the power to sub-delegate). Provided always that the Manager shall remain liable hereunder for any act or omission of any such person, firm or corporation as if such act or omission was its own.

RETIREMENT OF TRUSTEE

- 34 (A) The Trustee shall not retire until a new Trustee is appointed. In the event of the Trustee desiring to retire, the Manager (or in default the Trustee) may by deed supplemental hereto under the seal of the Manager or the Trustee (as the case may be) appoint any Company or Corporation empowered to act as Trustee of a unit trust to be the Trustee in the place of the retiring Trustee and also provide in such deed for the vesting in the new Trustee of the Instruments and securities standing in the name of the retiring Trustee.
- (B) No new Trustee shall be appointed except with the approval of the Commission.

RETIREMENT AND REMOVAL OF MANAGER

- 35 (A) The Manager shall be subject to removal by notice in writing given by the Trustee to the Manager, after the Trustee informs the Commission of such intended removal:
- (i) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver be appointed of the undertaking of the Manager or any part thereof, or
 - (ii) if for good and sufficient reason the Trustee is of the opinion and so states in writing to the Manager that a change of Manager is desirable in the interests of the Holders and the Commission approves the same, or
 - (iii) if the Holders of at least 75% of the Units issued request the dismissal of the Manager.

In either of the cases aforesaid the services of a Manager shall not be terminated until a new Manager, which has been licensed to operate a Unit Trust, has been appointed by the Trustee and written notice of the termination and appointment of the new Manager has been sent to Unit Holders. The termination shall take effect at the same time as the new Manager takes office. A new Manager may, with effect from the date of appointment change the name of the Unit Trust, at its discretion and with the consent of the Trustee.

- (B) The Manager may retire in favour of another company or corporation approved in writing by the Trustee with the concurrence of the commission upon and subject to the following conditions:
- (i) The Trustee shall appoint such company or corporation by writing under its Seal as Manager of the Trust and assign to such appointee all its rights and duties as such Manager, and such appointment shall be in writing under the seal of the Trustee.
 - (ii) Such company or corporation so appointed shall enter into such deed or deeds as are mentioned in paragraph (A) of this Clause.

- (iii) Upon payment to the Trustee of all sums due by the retiring Manager to the Trustee hereunder at the date of such retirement the retiring Manager shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the Trustee or of any holder or other person in respect of any act or omission on the part of the retiring Manager prior to such retirement and the new Manager may and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations of the Manager hereunder as fully as though such new Manager had originally been party hereto.
- (C) Upon any removal or retirement the removed or retiring Manager shall remain entitled to all Units which it holds or is deemed to hold and it shall be entitled to require the Trustee to issue to it a Certificate or Certificates in respect thereof (if not previously issued) and to be registered in the Register in respect thereof and thereafter to have exercise all rights of a Holder of such Units.

BORROWING POWERS

36 Subject to any statutory requirements for the time being in force, the provisions of the Unit Trust Code and to the terms and conditions hereinafter provided the Trustee may at any time at the request of the Manager concur with the Manager in the Trustee borrowing for the account of the Trust any monies whether in local or foreign currency for the purpose of

- (i) enabling the Manager to acquire Authorized Investments for the account of the Trust, or
- (ii) for cancellation of Units

For the purposes of or in connection with any borrowing (including any such assumption of liability) the following provisions shall apply:

- (a) The borrowing may be effected from any person approved by the Trustee (including the Trustee, if the Trustee is a Banker).
- (b) The Trustee may in pursuance of any borrowing arrangements place on deposit with the lender or any nominee of the lender an amount out of the income or capital of the deposited property upon the terms providing for the repayment of the deposit at the same time or times (and, if more than once, so that on each occasion the proportion which the deposit bears to the loan is maintained) as the borrowing is repayable.
- (c) In the case of foreign currency borrowing an aggregate amount in Sri Lanka Rupees being, subject as provided below, not less than the Sri Lanka Rupee equivalent of the amount outstanding may, if the Trustee so requires, be maintained by the Trustee on deposit either on short term deposit in any manner authorized by these presents or on deposit as hereinbefore provided or partly one and partly the other. In the event of fluctuations in the rates of exchange whereby the said deposit falls below the required amount, the Trustee need not be bound immediately to effect an increase in the amount maintained on deposit as aforesaid but shall effect the requisite increase as expeditiously as seems to the Trustee after consultation with the Manager to be reasonable in the interests of the holders.
- (d) The aggregate outstanding of all borrowings whether in local or foreign currency shall not exceed 10% of the assets attributable to Unit holders. For the purpose of this Clause, back-to-back loans shall not constitute borrowing.
- (e) Any borrowing shall be subject to the provisions hereunder and the borrowing shall become repayable in the event of the termination of the Trust.

- (f) Any interest on any borrowing effected under this Clause and all expenses incurred in negotiating, entering into varying, carrying into effect with or without variation and terminating the borrowing arrangements shall be payable out of the income or capital of the Deposited Property.
- (g) For the purposes of securing any borrowing and interest and expenses thereof, the Trustee shall be entitled with the concurrence of the Manager, to charge all or any part of the cash balance of the Fund.
- (h) The Trustee shall not incur any liability by reason of any loss which a holder may suffer by reason of any depletion in the Net Asset Value of the deposited property which may result from any borrowing arrangements made hereunder by reason of fluctuations in rates of exchange and (save as herein otherwise expressly provided) the Trustee shall be entitled to be indemnified out of and have recourse to the Deposited Property in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of this sub-clause and the arrangements referred to herein.
- (i) In the event any arrangements for borrowing or making deposits under this sub-clause shall be made with the Manager or the Trustee then such person shall be entitled to retain for its own use and benefit all profits and advantages which may be derived there from.
- (j) Where the deposited property or any part thereof is registered in the name of a lender as security for a loan obtained by the Manager, the Trustee shall be liable for any act or omission of the lender or his agent with respect to such property.
- (k) Where borrowing is undertaken for the account of the Trust, assets forming part of the deposited property may be registered in the lender's name or in that of a nominee appointed by the lender; provided that the lender or its nominee as the case may be enters into a written commitment that under no circumstances will it pledge or obligate any part of such assets to any other person or use any part of them to 'margin' guarantee, secure, discharge or settle any borrowing, trades or contracts, or dispose of any part of them or treat them as if any person other than the Trustee and the lender had any interest in them; and provided also that the Trust Deed makes the Trustee liable for the acts and omissions of the lender and its agents in relation to such assets.
- (l) Leveraging by borrowing against investments or buying on margin by the Trustee or Manager is prohibited, except in cases of investments with determinable future maturity dates, with the approval of the Commission.

ADVERTISEMENTS

- 37. (A) The Manager covenants and undertakes that it shall and will not without the prior written approval of the Trustee and the Commission publish, issue, circulate or cause to be published, issued or circulated any edition of the explanatory memorandum, application form, sales literature or other printed matter for issue to prospective buyers, advertisement, report, announcement (other than announcement of prices or yields) addressed to the general body of Holders or to the public or to the press or other communication media.

TERMINATION OF THE TRUST

- 38 (A) The Trustee may terminate the Trust upon the occurrence of any of the following events:
 - (i) If The Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in

writing by the Trustee) or if a receiver shall be appointed for the undertaking of the Manager or any part thereof and an alternate Manager cannot be found, or

- (ii) if, on the expiration of three (3) months after notifying the Manager that in the Trustee's opinion a change of Manager is desirable, the Trustee has not found another company or corporation ready to accept the office of Manager of the Trust and of which the Trustee and the Commission shall approve, or
- (iii) if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust.

(B) The Commission in consultation with the Trustee and the Manager may direct the Trustee to wind up the Unit Trust if the value of the Deposited Property falls below an operationally viable level and refund the funds collected during the period of offer, subject to provisions in the last published Explanatory Memorandum in accordance with the Unit Trust Code Rule 35.

(C) Either the Trustee or the Manager may by not less than three (3) months' notice given to the other with the concurrence of the Commission, decide to terminate the Trust. The party terminating the Trust shall give notice thereof to all Holders and by such notice fix the date at which such termination is to take effect which date shall not be less than three (3) months after service of such notice.

39. Upon the Trust being terminated:

(A) The Trustee shall sell all investments then remaining in its hands as part of the Deposited Property and shall repay any borrowings effected by the Trust (together with any interest thereon accrued but remaining unpaid) for the time being outstanding and such sale and repayment shall be carried out and completed in such manner and within such period after the termination of the Trust as the Trustee in its absolute discretion shall decide.

(B) The Trustee shall from time to time and at such time or times as it shall deem convenient and in its absolute discretion distribute to the holders and the Manager pro-rate to the number of Units held or deemed to be held by them respectively all net cash proceeds derived from the realization of the deposited property and any other cash proceeds derived from the realization of the deposited property and any other cash then forming part thereof and available for the purpose of such distribution and shall distribute in the manner provided in Clause 21 any monies standing to the credit of the Distribution Account. Provided that the Trustee shall be entitled to retain out of any monies in its hands under the provisions of this Clause full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee in connection with or arising out of the liquidation of this Trust and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Every such distribution shall be made to a Holder only against production of the Certificates relating to the Units in respect of which the same is made and upon delivery to the Trustee of such form of request for payment and receipt (if any) as the Trustee shall in its absolute discretion require. All Certificates shall in the case of an interim distribution be endorsed by the Trustee with a memorandum of the payments made and shall in the case of the final distribution be surrendered to the Trustee.

UNIT TRUST CODE

40 The Manager and the Trustee covenant with each other and the Holders of the Units for the time being and from time to time to observe and otherwise comply with the provisions of the Unit Trust Code and any other law pertaining to the concept of trusts in Sri Lanka wherever applicable.

In the event of any of the provisions in this Trust Deed being inconsistent with the Unit Trust Code, the provisions of the Unit Trust Code shall prevail over the provisions hereof, and where the Trust Deed is silent in regard to a particular issue arising out of the trust, primary recourse shall be made to the provisions of the Unit Trust Code to resolve such issue.

HOLDERS MEETINGS

- 41 (A) A meeting of the Holders held in accordance with the provisions contained in the Schedule shall in addition to all other powers that may be conferred upon it by law, this indenture or otherwise have the following powers, namely –
- (i) subject to Clause 35 hereof resolve to remove The Manager for default or non-compliance with the provision of the Trust, in terms of this Indenture or
 - (ii) to assent to any modification of the provisions contained in this Indenture which shall be proposed by the Manager and assented to by the Trustee.
- (B) The provisions contained in the Schedule shall have in effect in the same manner as if such provisions were herein set forth. All expenses of and incidental to the holding of a meeting in accordance with the provisions of the Schedule shall be borne as follows:-
- (i) if the meeting is held at the request of the holders or the Trustee certifies that in its opinion the meeting is held for the benefit of holders then the said expenses shall be borne by the Trust and paid by the Trustee out of the deposited property,
 - (ii) in any other event the said expenses shall be borne by the Manager.

EXCHANGE TRADED FUND

- 42 A (i) The Manager, with the approval of the Trustee and the Securities & Exchange Commission of Sri Lanka, may convert the fund into an Exchange-Traded Fund (ETF) The relevant provisions relating to the change shall be formulated in a supplementary Trust Deed.
- (ii) The Manager shall obtain the approval of the Colombo Stock Exchange for the listing of the fund, prior to making the fund an ETF.

LISTING OF THE FUND

- 42 B The Manager may apply with the prior approval of the Trustees, Unit holders and the Commission, to the Colombo stock Exchange for a listing of the Fund if and only if the parties mentioned above principally approve the same.

SERVICE OF NOTICES AND DOCUMENTS

- 43 (A) Any notice or other document required to be served upon a Holder shall be deemed to have been duly served if sent by post to his address as appearing on the Register and in the case of joint Holders to the address of whichever of such Holders is named first on the Register. Any notice or document so sent by post shall be deemed to have been served two (2) clear working days after the day on which the same was posted and in proving such service it shall be sufficient to prove that the cover or wrapper containing such notice or document was properly addressed, stamped and duly posted at a post office.

- (B) Service of a notice or document on any one (1) of several joint Holders shall be deemed effective service on all the joint Holders.
- (C) Any notice or document sent by post to the said address of a holder in pursuance of this Deed shall notwithstanding that such holder be then dead or bankrupt or insolvent and whether or not the Trustee or the Manager has notice of his death or bankruptcy or insolvency be deemed to have been duly served on the expiration of a period of two (2) clear working days from date of such posting and the same shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

MODIFICATION OF TRUST DEED

44 The Trustee and the Manager shall, subject to the prior approval of the Commission be entitled by Deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient. Provided that the Trustee shall certify in writing that in its opinion such modification, alteration or addition:

- (a) does not prejudice the interests of the then existing holders, does not operate to release the Trustee or the Manager from any responsibility to holders and does not increase the costs and charges payable from the income and the capital of the deposited property, or
- (b) is necessary to comply with fiscal, statutory or other official requirements and/or
- (c) is a correction of a manifest error, and/or
- (d) is not in conflict with the Code issued by the Commission or any condition laid down in the license granted by it.

Unless condition (a) or (b) or (c) and (d) are met no modification, alteration or addition shall be made to the Trust Deed except by an Extraordinary Resolution of unit holders. Where the Trust Deed has been altered or supplemented to comply with fiscal, statutory or other official requirements, unit holders must be notified immediately if the alteration is of material consequence to them.

SECRECY

45. The Trustee and the Manager and every director, officer or employee of the Trustee and Manager who is in any way engaged in the business of this Trust and all persons employed or engaged by the Trustee or Manager in connection with the business of the Trust shall before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all matters relating to or concerning the Trust and all transactions of the Trust, its customers and all matters relating thereto and shall by such declaration pledge himself not to reveal any matter which may come to his knowledge in the discharge of his duties except when required to do so:

- (i) by Board of the Trustee or Manager, or
- (ii) by a court of law, or
- (iii) by the person to whom such matters relate, or
- (iv) in the performance of his duties, or
- (v) in order to comply with the provisions of any law

INDEMNITY FOR TRUSTEE

46. Without prejudice to the limitation of liability of the Trustee for breaches of trust as provided by the Securities and Exchange Commission of Sri Lanka Act No.36 of 1987 and Act No. 7 of 2007 or any subsisting amendment thereto the Trustee shall not be liable and shall stand fully indemnified in respect of any loss, damage, claim or suit arising from or in connection with or in relation to any matter or thing done or omitted to be done by the Trustee in the proper exercise by the Trustee of the powers and duties of the Trustee under this Indenture or any instrument supplemental hereto or in law except for any loss or damage, claim or suit occasioned by fraud or negligence on the part of the Trustee or its officers or agents.

INCORPORATION OF STATUTORY PROVISIONS AND REGULATIONS

47. All the provisions of the Securities and Exchange Commission of Sri Lanka Act No.36 of 1987 and all subsisting amendments thereto and the Unit Trust Code and all Regulations and Rules duly promulgated there under shall be deemed for all purposes to be incorporated in this Indenture as part and parcel hereof and have effect accordingly.

IN WITNESS WHEREOF THE MANAGER AND THE TRUSTEE HAVE CAUSED THEIR RESPECTIVE COMMON SEALS TO BE AFFIXED HERETO AND TO TWO OTHERS OF THE SAME TENOR AND DATE AS THESE PRESENTS AT THE PLACES AND ON THE DATE OR DATES HEREINAFTER SETFORTH.

THE SCHEDULE ABOVE REFERRED TO

MEETINGS OF HOLDERS.

1. (a) The Trustee and the Manager shall at the request in writing of holders of not less than one-fifth of the Units at any time convene a meeting of holders at such time and place in Colombo (subject as hereinafter provided) as the parties convening the meeting may think fit.
(b) The Manager or the Trustee with the concurrence of the other may at its discretion convene a meeting of holders to transact business.
2. (a) The Manager and the Trustee shall be entitled to receive notice to attend and vote in respect of their holding (if any) of Units at any such meeting. Provided that the Trustee and the Manager shall be prohibited from voting in respect of their own shares at or forming a quorum for, a meeting at which the Trustee and the Manager or their connected persons have a material interest in the business to be contracted.
(b) The Trustee and the Manager and their connected persons shall disclose their interest wherever any business in which they have a material interest is being discussed at any meeting of the holders.
3. A meeting of the Holders shall be convened :
 - (a) by giving at least twenty-one (21) days (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) to the holders in the manner provided in this Deed, and/or
 - (b) by publishing at least twenty-one (21) days (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) before the meeting, the notice of the meeting in daily newspapers circulating generally in Sri Lanka in the Sinhala, Tamil and English languages.

The notice shall specify the place, day and hour of the meeting and the terms of any resolution to be proposed thereat. The accidental omission to give notice to or the non-receipt of notice by any of the holders shall not invalidate the proceedings at any meeting.

4. At any meeting not less than twenty-five (25) Holders present in person or by proxy shall form a quorum for the transaction of business. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
5. (i) The Chairman of the Trustee shall preside as chairman at every meeting or adjourned meeting of the Holders. If there be no such Chairman of the Trustee or if at any meeting he be not present within five minutes after the time appointed for the holding of the meeting or be unwilling to act, then the Chairman of the Manager shall preside as chairman of the meeting. If there also be no such Chairman of the Manager or if at any meeting he also be not present within a further five minutes after the first period of five minutes referred to above or he be also unwilling to act then the holders present shall choose one of their number to be chairman of the meeting.
(ii) The term "chairman" in this schedule shall mean the chairman of the meeting where the context so requires or admits.
6. If within half a hour from the time appointed for the meeting a quorum is not present the meeting if convened upon the requisition of Holders shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than fifteen (15) days thereafter and to such place in Colombo as may be appointed by the chairman; and at such adjourned meeting the Holders present in person or by proxy shall be a quorum for the transaction of business including the passing of Extraordinary Resolutions. At least seven (7) days notice of any adjourned meeting of Holders shall be given in the same manner as for original meeting and such notice shall state that the holders present at the adjourned meeting whatever their number and the number of Units held by them will form a quorum.
7. Such a meeting shall be held at the time and place in Colombo specified in the notice, being not later than two (2) months after the giving of notice.
8. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
9. At any meeting a Resolution put to the vote at the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or by one or more Holders present in person or by proxy registered as holding in the aggregate not less than one-twentieth of the number of Units for the time being in issue. A demand for a poll may be withdrawn. Unless a poll is so demanded and the demand be not withdrawn a declaration by the chairman that a resolution has been carried unanimously or by a simple majority or by a particular majority of the holders present and voting or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against such resolution.
10. If a poll is duly demanded it shall be taken in such manner as the chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
11. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time and place as the chairman directs. No notice need be given of a poll not taken immediately. A demand for a poll may be withdrawn at any time.
12. Subject as aforesaid the demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

13. On a show of hands every holder who (being an individual) is present in person or (being a corporation) is present by one of its officers as its proxy shall have one (1) vote,
14. In the case of joint Holders the vote of the first named of the Joint Holders whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.
15. On a poll every Holder who is present in person or by proxy or by attorney duly authorized by a Power of Attorney deposited with the Trustee or Manager as may be directed shall have one (1) vote for every Unit of which he or it is the Holder.
16. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or if the appointor is a corporation either under the Common Seal or under the hand of an officer or attorney authorized in writing. A person appointed to act as proxy need not be a Holder.
17. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee or the Manager with the approval of the Trustee may in the notice convening the meeting direct or if no such place is appointed then at the Registered Office of the Manager not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.
18. An instrument of proxy may be in the following form or in any other form which the Trustee shall approve :

“I.....ofbeing a Holder of.....Units numbered.....of and in the Unit Trust known as CEYLON IPO FUND hereby appoint.....ofas my proxy to vote for me and on my behalf at the meeting of the Holders of Units of and in the said Trust to be held on theday ofas witness my hand thisday of”
19. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the power of attorney or other authority under which the proxy was signed or the transfer of the Units in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the Registered Office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.
20. The Register shall be closed for not more than three (3) consecutive days terminating on the day of the meeting and notice thereof shall be given by public advertisement as in the case of notice of all meetings.
21. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Manager at its expense and any such minute as aforesaid if purporting to be signed by the chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.
22. Every Resolution shall be binding upon all Holders whether present or not present at the meeting and each of the Holders and the Trustee and the Manager shall subject to the provisions relating to the indemnity in this Deed contained be bound to give effect thereto accordingly.

23. The words and expression appearing in this Schedule shall have the same meanings as are assigned to them in the Indenture constituting the Trust of which this Schedule is a part.

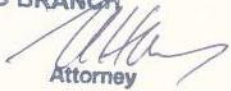
The Common Seal of Ceylon Asset Management Company Limited was affixed hereto in the presence of Dulindra Fernando and Ravi Fernando, two Directors at Colombo on this 12th day of May 2011.

Witnesses

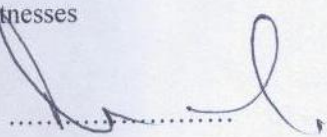
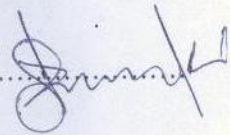
1.  JANETHRI GURUSINGHE
150A, POLHENGODA ROAD
COLOMBO 5.
746950101V
2.  Thilina Withanage
909/9F, Adikaram Mv;
Etukotte.
843272525V

The duly appointed authorised signatories RAWANTHI FERNANDO and TYRONIE HANNAN of Deutsche Bank AG, Colombo Branch have set their respective hands hereto on this..... day of in the year Two Thousand and Eleven.

For and behalf of
DEUTSCHE BANK AG.
COLOMBO BRANCH

 Attorney  Attorney

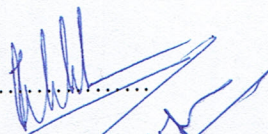
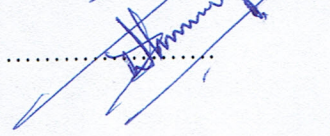
Witnesses

1.  Dilan Jesudason
27/1, Uyana Road,
Moratuwa
843510337V
2.  Duninda Madaragamage
21/D, Church Road
Glenmull.
8323929364

23. The words and expression appearing in this Schedule shall have the same meanings as are assigned to them in the Indenture constituting the Trust of which this Schedule is a part.

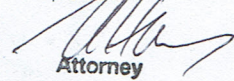
The Common Seal of Ceylon Asset Management Company Limited was affixed hereto in the presence of Dulinda Fernando and Ravi Fernando, two Directors at Colombo on this 12th day of May 2011.

Witnesses

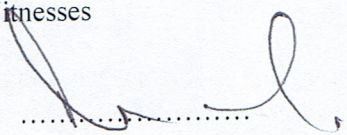
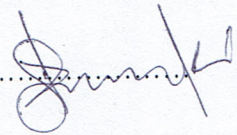
1.  JANETHRI GURUSINGHE
150A, POLHENGODA ROAD
COLOMBO 5.
746950101V
2.  Thilina Withanage.
909/9F, Adikaram Mw,
Etukotte.
843272525V

The duly appointed authorised signatories
..RUVANTHI FERNANDO.....
and..TYRONIE HANNAN.....
of Deutsche Bank AG, Colombo Branch have set their
respective hands hereto on this.....
day of in the year Two Thousand and
Eleven.

For and behalf of
DEUTSCHE BANK AG.
COLOMBO BRANCH

 Attorney
 Attorney

Witnesses

1.  Dilan Jesudason
27/1, Uyana Road,
Moratuwa
843510337V
2.  Duninda Madanagamage
61/D, Church Road
Glenmont.
8323929364

SUPPLEMENTARY UNIT TRUST DEED
OF THE CEYLON IPO FUND

This Supplementary Trust Deed is made on this 18th day of February 2021 by and between

CEYLON ASSET MANAGEMENT COMPANY LIMITED a company duly incorporated in Sri Lanka under the Companies Act No.17 of 1982 (and re registered under the Companies Act No 7 of 2007 under registration number PB 995) and whose registered office is at No. 281 Union Place, Colombo 02, in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as "**the Manager**") of the **FIRST PART**

AND

HATTON NATIONAL BANK PLC a banking company duly incorporated in the Republic of Sri Lanka (under registration No. PQ 82) and having its registered office at "HNB Towers" No 479, T. B. Jayah Mawatha, Colombo 10 in the said Republic (Hereinafter referred to as "**HNB**") of the **SECOND PART**

AND

DEUTSCHE BANK AG, COLOMBO BRANCH, a banking corporation duly incorporated in the Federal Republic of Germany and having its registered office at 12 Taunusanlage, Frankfurt am Main, Federal Republic of Germany and having a branch office at No. 86 Galle Road, Colombo 3 in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as "**DB**" and which term or expression hereinafter used shall where the context so requires or admits mean and include the said Deutsche Bank AG, Colombo Branch its successors and assigns) of the **THIRD PART**;

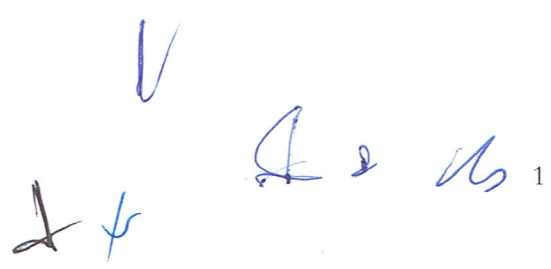
WITNESSETH

WHEREAS **the Manager and DB** above named have entered into a Trust Deed dated 12th May 2011 (hereinafter referred to as the "Trust Deed") pursuant to which there is in existence a Unit Trust called and known as the "**Ceylon IPO Fund**".

AND WHEREAS it is now necessary to execute these presents as a Supplementary Deed to the said Deed of Trust to effect changes to the Trustees of the said Trust.

NOW THIS DEED OF TRUST WITNESSETH AND IT IS HEREBY DECLARED AS FOLLOWS;

- (1) That **the Manager** does hereby accept the retirement of the former Trustee (**DB**) with effect from 01st March 2021.
- (2) That **the Manager** does hereby appoint the new Trustee (**HNB**) with effect from 01st March 2021 to be the Trustee of the said Unit Trust established by the said Principal Trust Deed to the intent that all assets, liabilities, rights, obligations and entitlements of the former Trustee shall henceforth vest in the new Trustee in terms of the said Principal Trust Deed and that the new Trustee shall and may exercise such trust, powers and authorities vested by the said Principal Trustee in the Trustees of the said Unit Trust as if the New Trustee had been originally appointed Trustee by the said Principal Trust Deed.
- (3) That the New Trustee (**HNB**) does hereby accept the appointment as Trustee for the Holders of the said Trust with effect from 01st March 2021.



- (4) The Parties hereto agree that the modifications, alterations and additions to the Principal Trust Deed as contained in this Supplementary Trust Deed:
- (i) Does not prejudice the interests of the existing Holders and does not operate to release the Trustee or **the Manager** from any responsibility to Holders; and that no such modification, alteration or addition shall impose upon any Holder any obligation to make any further payment in respect of his Units or to accept any liability in respect thereof;
 - (ii) It is necessary due to the Retirement of the Former Trustee (**DB**) in terms of Clause 34 of the Principal Trust Deed; and
 - (iii) It is not in conflict with the Unit Trust Code issued by the Commission or any condition laid down in the license granted by it.
- (5) The Parties hereto agree that other than as amended by the terms of this Supplementary Trust Deed, the Principal Trust Deed shall remain in full force and effect, and the terms and provisions of the same are hereby ratified and affirmed by **the Manager** and the New Trustee (**HNB**).
- (6) **The Manager** and New Trustee (**HNB**) do hereby amend the provisions of the Trust Deed in the following manner upon prior written approval of the Securities and Exchange Commission of Sri Lanka:
- (i) That in the definition of "Authorized Investment" clause b) the word "shares" to be added and it will read as follows :
Stock warrants, options, shares or other Securities, which are listed and quoted on a "Recognized Stock Exchange".
 - (ii) That in the definition of Authorized Investment clause d) and clause f) be deleted and substituted with the following:
 - a) Government Securities
 - b) Bank Deposits and Securities issued by a Bank
 - c) Deposits with Finance Companies
 - d) Listed Debentures
 - e) Commercial Papers
 - f) Trust Certificates
- 'Or any other debt instrument with a maturity period of less than one (01) year and permitted by the regulations of the Securities and Exchange Commission of Sri Lanka.
- (iii) That the definition of "Certificate" be deleted in its entirety.
 - (iv) That the definition of "Duties & Charges" be amended by the deletion of the words 'or in respect of Certificates or otherwise.'
 - (v) That the sub clause (ii)(a) of the definition of "Value", be amended by the deletion of the words 'a Certificate may be delivered in terms of Clause 4 (E) or for which'
 - (vi) That Clause 3 and Clause 4 'provisions as to securities' and Clause 5 'Holders bound by Deed' be deleted in its entirety and be substituted as follows

Clause 3: Confirmation of the Unit Holding

Once the Units are created on behalf of an Investor (s) as per the provision of Clause 14 of this Deed, an Account Statement will be issued to the Holder of the Units. This Account Statement will be sent via electronic mail or facsimile to the Holder.

An Account Statement issued by the Manager shall:

- a) be dated,
 - b) bear the names and the addresses of the Manager and the Trustee,
 - c) bear a distinctive account number,
 - d) specify the number of Units and such fractions of a Unit rounded down to the nearest two decimals of each type held by the Unit Holder,
 - e) indicate the value of the Units held as at the date of statement,
 - f) bear the names and addresses of the Holders as recorded in the Register, and;
 - g) reflect the purchases and sales of Units carried out between the date of last statement and the date of present statement.
- (vii) That the numbering of Clauses be amended subsequently after the substitution of Clause 3 and deletion of Clause 4 & Clause 5 of the Principal Trust Deed.
- (viii) That in Clause 6: Trusts & Equities, the words 'or to a Certificate, and' 'the title to any Certificate or' be deleted and the last sentence to be amended as follows
- 'No other person than the Manager shall have any rights against the Trustee except during the period for which Units are outstanding in his name.'
- (ix) That the Clause 8, sub clause (A)(ii) be amended as follows
- 'the number of Units held by every such Holder and the distinctive number of his account.'
- (x) That in Clause 8, sub clause (B) be amended by deletion of the words '(including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee and sum provided for by Clause 5(C) as the Manager may require' and 'and, in the case of a change of name, shall issue a new Certificate to such Holder'.
- (xi) That in Clause - 8 sub clause (D), Clause 14 sub clause (A)(iv), Clause 24 sub clause (A)(vii)(b) and point (3)(b) of the Schedule be amended that the Notice Advertisements be in local newspapers in the English language and the Manager's website.'
- (xii) That in Clause 9(A), sub clause i(d) be amended by deletion of the words 'call upon the Unit Holder to surrender the Certificate issued earlier to him and re-issue Certificates to the respective amounts represented by the sale of Units and where the Unit Holder has opted to obtain Account Statements in lieu of Certificates, the Manager shall'.
- (xiii) That in Clause 9(A), sub clause (iii) be amended by deletion of the words 'and by the Certificates relating to the Units to be transferred' and the last sentence be deleted in its entirety.
- (xiv) That in Clause 9(A), sub clause (iv) be amended by deletion of the words 'and the issue of a new Certificate in the name of the transferee shall be paid'
- (xv) That in Clause 9(A), sub clause (v) be amended as follows

'In case only a portion of the Units is transferred, the transferors shall be entitled for a new Account Statement in respect of the balance.'

- (xvi) That in Clause 10, sub clause (A)(i) the last sentence be amended as follows
'and upon production of such evidence of the death as the Manager may require, the remaining Holder or Holders shall be entitled to have Units and Account Statements in his or their name or names as the case may be.'
- (xvii) That in Clause 12, sub clause (B)(iii) be amended by deletion of the words 'of the delivery or issue of Certificates in connection therewith or.'
- (xviii) That in Clause 12, sub clause (G) the last sentence be amended as follows
'The Manager may, in such notice, send or cause to be sent to each Holder by electronic mail or facsimile an Account Statement representing the number of additional units to which he had become entitled by reason of each sub-division.'
- (xix) That in Clause 12, sub clause (I) the last sentence be deleted.
- (xx) That in Clause 13, sub clause (A) be amended by deletion of the words 'by surrender of Certificates to the Trustee' and 'or in respect of which no Certificate is outstanding.'
- (xxi) That in Clause 13, sub clause (C) be amended as follows
'The said amount shall be payable to the Manager on or as soon as the particulars of the Units to be cancelled in respect of which no person is entered in the Register as the Holder thereof are informed to the Trustee. Upon such payment, the Units in question shall be deemed to have been cancelled and withdrawn from issue.'
- (xxii) That in Clause 14, sub clause (B)(i) be deleted in its entirety and substituted by the following
'No request to purchase shall be valid unless the Holder shall have delivered to the Manager or its authorized agent in writing via normal/registered/facsimile or electronic mail, notification of the Units to be purchased authorized by the Holder or in the case of joint Holders, by both or all of them. Any such duly completed request shall, for all purposes of this Deed be deemed to be a transfer in favour of the Manager'.
- (xxiii) That Clause 14, sub clause (B)(ii)(a) and (b), reference to Clause 3(B) should be amended as Clause 3
- (xxiv) That clause 14, sub clause (B)(iii) be deleted in its entirety.
- (xxv) After the deletion of Clause 14 sub clause B (iii), the rest of the sub clauses will be renumbered subsequently.
- (xxvi) That Clause 16 (C) (i) be deleted in its entirety.
- (xxvii) After the deletion of Clause 16 sub clause C (i), the rest of the sub clauses will be renumbered subsequently.

(xxviii) That in Clause 18 (A) (ii)(c) and (ii)(d) be deleted entirely and substituted by the following

- a) Government Securities
- b) Bank Deposits and Securities issued by a Bank
- c) Deposits with Finance Companies
- d) Listed Debentures
- e) Commercial Papers
- f) Trust Certificates

‘or any other debt instrument with a maturity period of less than one (01) year and permitted by the regulations of the Securities and Exchange Commission of Sri Lanka.

(xxix) That in Clause 22 sub clause D, in Clause 28 sub clause (A) & (C) and Clause 30 sub clause (B) & (F) the words ‘Certificate/s’ be substituted with ‘Account Statement/s’.

(xxx) That in Clause 29, sub clause (B)(ii) the words ‘Certificates and’ (B)(vi) ‘every Certificate so destroyed shall be deemed to have been a valid Certificate duly and properly cancelled and’ in the last paragraph be deleted.

(xxxi) That in Clause 37, sub clause (B) the last sentence be amended as ‘Every such distribution shall be made to a Holder only against production of an Account Statement relating to the Units in respect of which the same is made.’

(7) This Deed of Amendment and any non-contractual obligations arising out of or in connection with this Deed of Amendment shall be governed by and interpreted in accordance with Sri Lankan law.

(8) That this Supplementary to Deed of Trust shall form part of and be supplemental to the said Deed of Trust dated 12th May 2011 which remains valid and effectual in all other aspects.

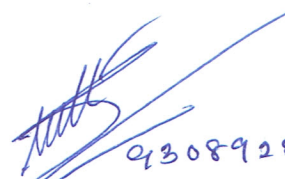
IN WITNESS WHEREOF the said **Ceylon Asset Management Company Limited, Hatton National Bank PLC and Deutsche Bank AG, Colombo Branch** have caused this Supplementary Deed and 2 others of the same tenor and date as these Presents be executed at Colombo on this Eighteenth (18th) day of February Two Thousand and Twenty One (2021).

The Common Seal of Ceylon Asset Management Company Limited is hereunto affixed in the presence of **Mr. Dulindra Fernando**, a director and **Mr. Shashika Ranasinghe**, a director hereto who do hereby attest the sealing thereof

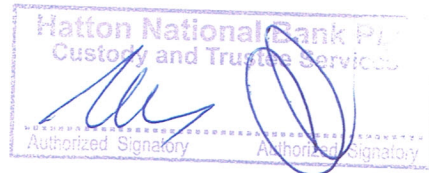
Witnesses

1. Janethri Gurusinghe
39/1D, Pepiliyana Mawatha, Kohuwala,
Nugegoda
2. Senitha Gunawardena
44/4, Dharmarama Road, Span Tower Apartments,
Colombo 6.


746950101V


930892858V

Signed and on behalf of Hatton National
Bank PLC by)
and)
the duly appointed authorized signatories)



Witnesses

1. Naveen Lehangge
2436508024

A handwritten signature in blue ink.

2. C. Niroshan
8920005650

A handwritten signature in blue ink.

Signed and on behalf of Deutsche Bank AG,)
Colombo Branch Bank by)
..... and)
.....)
the duly appointed authorized signatories)

A handwritten signature in blue ink.

A handwritten signature in blue ink.

Witnesses

1. Dumindu modaragamase.
832392936 ✓

A handwritten signature in blue ink.

2.

K.T. Krishanthan.
8635518034

A handwritten signature in blue ink.

DEUTSCHE BANK AG
COLOMBO BRANCH