

ALIF INDUSTRIES LIMITED

As Issuer and Settlor

AND

BANGLADESH GENERAL INSURANCE COMPANY LIMITED

As Trustee

TRUST DEED

RELATING TO

Issue of BDT 3,000,000,000, convertible bonds

THIS TRUST DEED is made on the _____ day of _____ 20__

BETWEEN:

- (1) **ALIF INDUSTRIES LIMITED**, a company incorporated under the Companies Act, 1913 and carrying on its business as a manufacturer and exporter of ready-made garments, having its Bangladesh registered office at Bilquis Tower 9th Floor, Plot 6, road 46 Gulshan Dhaka 1212(the "**Issuer & Settlor**" which expression shall, unless it is repugnant to the context or meaning thereof, its successors in interest, legal representatives, administrators and assigns; and
- (2) **Bangladesh General Insurance Company Limited** (BGIC) ADDRESS AND COMPANY DESCRIPTION (the "**Trustee**", which expression includes, where the context admits, all persons for the time being the trustee or trustees of this Trust Deed).

WHEREAS

- (A) The Issuer, a company incorporated under the Companies Act, 1913 and carrying on its business as a manufacturer and exporter of ready-made garments.
- (B) The Issuer has pursuant to the resolutions of the Board of Directors of the Issuer made in meeting held on 09/09/2021 authorised the creation and issue of BDT 3,000,000,000.00 in aggregate principal amount of convertible Bond.
- (C) The proceeds of the Bonds shall be utilised by the Issuer for factory expansion, land and machinery acquisition etc.
- (D) Issuer has decided that Bonds i.e. BDT 3,000,000,000.00 will be subscribed by the Investors through private placement.
- (E) For the purpose of private placement of Bonds, the Issuer has entered into an agreement with the Investors (the "**Subscription Agreement**") for private placement of Bonds subject to the terms and features of the Bond and Subscription Agreement.
- (F) The Issuer has appointed **Bengal Investments Limited** having its address Bilquis Tower 9th Floor, Plot 6, road 46, Gulshan, Dhaka 1212, Bangladesh as the Lead Arranger setting out the terms and conditions of the appointment as stated therein for the purpose of the private issue of the Bonds under the Information Memorandum (as defined below) as approved by the Bangladesh Securities and Exchange Commission ("**BSEC**").
- (G) The BSEC has duly consented to the issuing of the Bonds, through a consent letter dated _____ (Ref: _____).
- (H) The Issuer as Settlor has decided to create a trust for the said Bonds and the Bondholders shall be beneficiary of the said trust and the said trust shall be known as **AIL Convertible Bond Trust**

- (I) The Issuer shall appoint **Bangladesh General Insurance Company Limited** as Trustee in respect of the Bonds and provide evidences for proper utilization and repayment/redemption/conversion of the issue. The Trustee shall be entitled to get fees for their services as provided for herein.
- (J) **Bangladesh General Insurance Company Limited** has at the request of the Issuer consented to act as Trustee on the terms and conditions appearing hereinafter.
- (K) The Bondholders hereby authorize the Trustee to act in the capacity of Trustee in order to exercise their rights and remedies of the Bondholders in accordance with this Trust Deed and hereby empower the Trustee to do such acts and sign documents as are required to carry out its duties in such capacity and as detailed in the Trust Deed.
- (L) The Trustee has, at the request of the Issuer, consented to act as trustee and the BSEC has accorded consent to Bangladesh General Insurance Company Limited to act as the trustee of the Bonds in its letter dated _____ (Ref: _____). The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

NOW THIS DEED WITNESSES AND IT IS HEREBY DECLARED as follows:

CHAPTER 1: OBJECTIVE OF THE ISSUE

- 1.1 “AIL CONVERTIBLE BOND” shall be issued by Alif Industries Ltd, which proceeds shall be used to acquire or set up state of the art 100% export-oriented denim fabrics factory with monthly production capacity 1.4 million yards.
- 1.2 The Issuer shall offer “AIL Convertible Bond” under private offer with mandatory conversion features. The principal portion of the bonds shall be converted in to ordinary shares of Alif Industries Ltd starting from the third year. The interest coupon payment shall be fully secured by the bank guarantee during the tenure of the bond.

CHAPTER 2: DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Trust Deed the following expressions have the following meanings:

2.2 Interpretations:

In this trust deed....

- i) reference to a clause, chapter or schedule is a reference to a clause of, chapter, schedule to this Trust Deed;

- ii) reference to the parties in this Trust Deed shall be constructed to include the “Issuer, issue manager, trustee (replaced or substituted) ;
- iii) reference to a time of day is a reference to Dhaka, Bangladesh time prevailing at relevant day;
- iv) reference to the meaning of the defined terms is applicable to both the singular and the plural form thereof, and word denoting any gender shall include all genders;
- v) the schedule form part of this Trust Deed and shall be interpreted and constructed as though they were set out in this Trust Deed;
- vi) the heading to the clauses and Schedules is for connivances only and shall not affect the interpretation or construction of this Trust Deed;
- vii) reference to any applicable law and statute means such laws and statutes as amended, replaced or re-enacted and all rules and regulations promulgated thereunder as amended, replaced and promulgated. Reference to rule shall include regulations and notifications issued, promulgated from time to time including amendments and replacements thereto;
- viii) reference to a “person” includes an individual, proprietorship, partnership firm, company, corporate body, co-operative society, entity, trust, authority, or anybody, association or organization of individuals or persons whether incorporated or not and whether natural, juristic, or legal entity;
- ix) reference to a document including Transaction Documents are to that document as amended, modified, varied, supplemented or replaced from time to time in accordance with its terms;
- x) the words “include” or “including” shall be deemed without limitations whatsoever, except if otherwise specified;
- xi) reference to notice shall deem to include notification, limitation, consent, pronouncement, reports, approval under or communications, as may be applicable in the Trust Deed, except if otherwise specified,
- xii) month shall mean the calendar month of Gregorian Calendar.

2.3 Abbreviations

Base Rate	:	Base Rate means 7% p.a. as stipulated in clause 13.3.3 & 13.3.4
BDT	:	Mean Bangladesh Taka, the lawful currency of Bangladesh
BO Accounts	:	Shall mean beneficiary owner's account
BOND	:	Means "AIL Convertible Bond"
Bond Holder(s)	:	means holder of "AIL Convertible Bond"

Business day	:	Shall mean a day on which banks are open for business transactions in Dhaka, Bangladesh and all stock exchanges of Bangladesh are open for trading, except for public holidays in Bangladesh
CDBL	:	Shall mean the Central Depository Bangladesh Ltd,
Commission	:	Shall mean Bangladesh Securities and Exchange Commission, a statutory body formed under section 3 of Bangladesh Securities and Exchange Commission Act, 1993
Conversion	:	Shall mean mandatory conversion of AIL Convertible Bond as stipulated in clause 13.4 & 13.7
Dispute	:	Shall mean have the meaning set forth in clause 4.2
Event of Default	:	Shall mean have the meaning set forth in clause 7.2
Force Majeure Event	:	Shall mean have the meaning set forth in clause 21.1
Half Yearly Periodic payment	:	Shall mean the periodic payment to " AIL Convertible Bond" holder stipulated in clause 13.3
IM	:	Shall mean Information Memorandum for private offer of AIL Convertible Bond
Issuance Date	:	Means the date of issue of the Bonds in favor of the respective Investors as per the individual Subscription Agreement
Issue Manager	:	Shall mean "Bengal Investments Ltd", Bilquis Tower 9th Floor, Plot 6, road 46, Gulshan, Dhaka 1212
Issuer	:	Shall mean Alif Industries Ltd
Minimum Subscription	:	Shall mean have the meaning set forth in clause 13.1.3
Person	:	Means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust government or any agency or any other entity;
PO	:	Private offer
Record date for conversion	:	Shall have the meaning set forth in clause 13.4.4

Record date for periodic distribution	:	Shall have the meaning set forth in clause 13.3.2
Settlor	:	Shall mean Alif Industries Ltd
Subscription form	:	Shall mean the form in the IM for applicants under private offer subscribing "AIL Convertible Bond"
Transaction Documents	:	Shall mean the documents listed in clause 13.5
Trust Deed	:	Shall mean this Deed of Trust including any amendment or modification thereto
Trust Property	:	Shall mean have the meaning set forth in clause 6.1.1
Trustee	:	Shall mean the institution approved by the commission to act as trustee of "AIL Convertible Bond Trust", whether originally appointed or substituted as per this Trust Deed

CHAPTER 3: RELATIONSHIP BETWEEN THE PARTIES

Alif Industries Limited as Issuer & Settlor has agreed to appoint **Bangladesh General Insurance Company Limited** as Trustee for the AIL Convertible Bond for the purpose of raising debt, and the Trustee shall act as trustee for the benefit of the Beneficiaries subject to this Trust Deed.

CHAPTER 4: GOVERNING LAWS AND DISPUTE RESOLUTIONS

4.1 This Trust Deed and the Conditions and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, the laws of Bangladesh.

4.2 Any dispute arising from or in connection with this Trust Deed or the Conditions (including a dispute relating to non-contractual obligations arising from or in connection with this Trust Deed and/or these Conditions, or a dispute regarding the existence, validity or termination of the Conditions and/or this Trust Deed or the consequences of their nullity) (the “**Dispute**”) between the Issuer and the Trustee or between Issuer and the Bondholders or between Trustee and the Bondholders shall be settled by arbitration in accordance with the provisions of the Arbitration Act 2001. Each party shall appoint its arbitrator and the arbitrators shall appoint chairman of the arbitral tribunal. Venue of arbitration shall be at Dhaka. Unless otherwise decided by the arbitral tribunal, each party to an arbitration proceeding shall bear their respective costs of arbitration

4.3 The decision of arbitral tribunal shall be final and binding from the day it is rendered and shall be open to enforcement by any court of competent jurisdiction. Parties to arbitration hereby waive any right

to raise any objection against such enforcement of award and to seek any interim injunction from the local court once the arbitration request notice has been issued.

CHAPTER 5: REGISTERED OFFICE OF “AIL CONVERTIBLE BOND TRUST”

5.1 The registered office of “AIL Convertible Bond Trust” shall be situated at the registered office of the Trustee, and/or such place(s) as the Trustee may deem fit and proper in its discretion but with prior notification to Issuer- Alif Industries Ltd.

5.2 The Trustee shall publish the address of the registered office in website of the Issuer and Trustee

CHAPTER 6: “AIL CONVERTIBLE BOND TRUST”

6.1 CREATION OF “AIL CONVERTIBLE BOND TRUST”

6.1.1 Declaration: The Issuer, acting as settlor, hereby declares and confirms that it has simultaneously with the execution of this Trust Deed settled and kept apart an amount of **BDT 100,000** (the "**Trust Assets**") TO HAVE AND HOLD the same together with all additions or accretions thereto UPON the Trust and confirms that it will transfer said amount, together with all additions or accretions thereto, and the investments representing the same would be applied and governed by the provisions of this Trust Deed and the Trustee has consented to act on the provisions set out herein.

6.1.2 Acceptance: The Trustee hereby declares and confirms that it shall hold and stand possessed of the Trust Assets UPON trust and subject to the powers, provisions, agreements and declarations herein contained.

6.1.3 Beneficiaries: AIL Convertible Bond Holders are the sole beneficiaries of this Trust.

6.1.4 Purpose: The purpose of AIL Convertible Bond Trust is to hold and stand possession of the Trust Property for the benefit of and on behalf of the bond holders on the terms and conditions contained herein

6.1.5 Name of the Trust: The Trust hereby created shall be called the AIL Convertible Bond Trust

6.1.6 Objectives and Undertakings of the Trust: The Trust has been created with the following objectives and the Trustee covenants as follows:

6.1.6.1 To hold the benefit of the covenants made by the Issuer in this Trust Deed and the Conditions on trust for the Bondholders;

6.1.6.2 To open such accounts as the Trustee deems necessary for discharging the functions of Trustee;

- 6.1.6.3 To undertake all such actions for the recoveries of any outstanding payments in accordance with the provisions of this Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- 6.1.6.4 To manage and administer the Bonds in accordance with the terms of this Trust Deed and to execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- 6.1.6.5 To convene any meeting of the Bondholders in accordance with the provisions of the Trust Deed and the Conditions, and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;
- 6.1.6.6 To implement, give effect to and facilitate the Conditions and such other documents, deeds and agreements in contemplation thereof or in connection therewith;
- 6.1.6.7 Upon receipt of the instructions of such requisite majority of the Bondholders in accordance with the terms of this Trust Deed, to sell or otherwise dispose of the Trust Assets and close any bank accounts that may have been opened in pursuance of this Trust Deed after the distribution of amounts standing to their credit; and
- 6.1.6.8 To do all such other acts, deeds and things as may be necessary and incidental to the above provisions unless such acts require the prior consent of the Bondholders in accordance with the terms of this Trust Deed.

CHAPTER 7: DESCRIPTION OF THE CREDIT ENHANCEMENT AND ENFORCEMENT

7.1 Credit Enhancement:Total interest payable of the tenure of the bond will be fully secured by the bank guarantee. This bank guarantee will be provided in favour of trustee by the issuer.

7.2 Event of Default and Enforcement: Save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable

CHAPTER 8: BENEFICIARIES OF TRUST PROPERTY

8.1 Each AIL Convertible Bond holder shall be beneficiaries of the Trust Property

CHAPTER 9: COMMENCEMENT AND TERMINATION OF AIL CONVERTIBLE BOND TRUST

9.1 AIL Convertible Bond Trust is created with the execution of this Trust Deed

9.2 AIL Convertible Bond Trust shall be extinguished upon the final conversion of the bond to ordinary shares of AIL or the issuer at its sole discretion can exercise its call option to call all the outstanding bond and extinguish the Trust.

9.3 Notwithstanding anything to the contrary in this Trust Deed, the Settlor may revoke the Trust with the express consent of all Beneficiaries of the Trust and the permission from the BSEC.

CHAPTER 10: COST AND EXPENSES OF ISSUANCE OF AIL CONVERTIBLE BOND

10.1 All cost and expenses directly in connection with the issuance of AIL Convertible Bond shall be borne by the issuer.

10.2 All regulatory and/or non-regulatory cost and expenses directly in connection with the requirement regulatory compliance and maintenance of AIL Convertible Bond shall be borne by the issuer.

10.3 Following is the schedule of cost the issuer shall incur in relation to issuance of AIL Convertible Bond.

	Bond Issue related Expenses	Particulars	Amount (Tk)
A	Issue Manager's Fees		
	Issue Managers Fees	0.35% of the issue size	10,500,000
	VAT against Issue Management Fees	15% of the issue management fees	1,575,000
	Sub Total		12,075,000
B	Commission (BSEC) Fees		
	Application Fees	Fixed	10,000
	Consent Fees	0.1% of the total face value	3,000,000
	Sub Total		3,010,000
C	Credit Rating fees for Tenor (6 Years)	At Actual	600,000
	VAT	15% of Credit rating Fees	90,000
	Sub Total		690,000
D	Arrangement Fees		
	Arrangement Fees	1% of arrangement amount	30,000,000
	VAT against arrangement fees	15% of arrangement fees	4,500,000
	Sub Total		

			34,500,000
E	Trustee Related Fees		
	Trustee Fess	(Including application, consent and annual fees)	4,900,000
	VAT against Trustee Fess	15% of the trustee fees	735,000
	Sub Total		5,635,000
F	Paying Agent and Registrar Fees		
	Registrar Fees	(2 lac taka each year)	1,200,000
	VAT against Registrar Fees	15% of Registrar Fees	180,000
	Sub Total		1,380,000
G	Printing and Private placement Expenses		
	Publication of Information Memorandum (IM)	At Actual	1,000,000
	Stationeries and other expenses	At Actual	800,000
H	CDBL Related fees		
	CDBL fees on share conversion	0.015% of issue size BDT 3,000,000,000	450,000
	Security Deposit	Fixed	500,000
	Documentation fees	At Actual	2,500
	Annual Fees	At Actual	500,000
	Connection Fees	1000 Tk/month for 6 years	72,000
	Bond credit Fees	At actual	500,000
	Sub Total		2,024,500
I	Any other Expenses	At actual related to Bond	At actual
	Total		59,314,500

CHAPTER 11: DESCRIPTION OF THE TRUSTEE

11.1 **DESCRIPTION:** Bangladesh General Insurance Company Ltd. or “BGIC Ltd.” is the first general insurance company in the Private Sector in Bangladesh. BGIC was incorporated as a Public Limited Company and started business on 29th July, 1985. The company has an Authorised Capital of TK. 1000

million and its Paid Up Capital as of December, 2021 stood at TK. 540 million and is listed on both the Dhaka Stock Exchange and Chittagong Stock Exchange.

Bangladesh General Insurance Company Ltd. took a pioneering initiative to act as a “Trustee” and assist in the organization and floating of the first Mutual Fund in Bangladesh under private initiative. We have not only restricted ourselves to be Trustee of Mutual Funds but have also diversified which enabled us to be appointed as Trustee of quite a few Bonds issued by different banks and organizations in the local market.

Our Top Management & Trustee Committee Members as detailed below supervise the operations of all Mutual Funds & Bonds and other financial instruments under our Trusteeship.

Chairman:

Mr. Towhid Samad, is an Economics (Hons.) graduate of Dhaka University and a Master’s (Econ.) from Karachi University. He is the Sponsor Director of BGIC. Mr. Samad is the Founder Trustee of the Education Scientific Technology Cultural Development Foundation, which is the Founder of the Independent University Bangladesh and the Chittagong Independent University. At various times he has been elected as Chairman of the Foundation and that of Independent University Bangladesh at Dhaka. Currently he is the Chairman of Chittagong Independent University. Mr. Samad is an active member of various cultural and social organization including Dhaka Club of which he was elected and held the office of the President.

Managing Director & CEO:

Mr. Ahmed Saifuddin Chowdhury is the Managing Director & Chief Executive Officer of Bangladesh General Insurance Company Ltd, which is the First General Insurance Company in the Private Sector in Bangladesh. He has been appointed as Managing Director & CEO on 1st August, 2013 by getting approval of IDRA. He is responsible for company strategy, team building and operations. He is known for his visionary leadership and exemplary integrity. Mr. Saifuddin Chowdhury, just immediately after completing his post graduation studies he started his career with BGIC since 1986 as junior Officer. In the 1987, he was transferred to BGIC’s Zonal Office, Chittagong as Accountants In-charge. By dint of his merit, talent and efficiency, he has a deep understanding of the insurance business and experience on Underwriting, Accounts & Finance, Administration, Branch Control, Re-Insurance, Claim and Marketing.

Mr. Saifuddin Chowdhury has an excellent social affiliation and has been a permanent member of Chittagong Club, Chittagong Metropolitan Shooting Club, Mainamoti Golf and Country club, and life member of Chittagong Diabetic Association, Jalalabad Association, Chittagong Lions Foundation, Chittagong University Management Association, Chittagong College Ex. Student Association, Chittagong University Ex. Student Association batch’83. He is also a Chartered Member of Lions Club International District 315-84, Bangladesh. He holds B.Com(Hon.), M.Com(Mgt.) from University of Chittagong and also completed Masters of Business Administration (MBA) from Southern University, Chittagong .

Adviser

In the field of management, particularly in its professional side, BGIC is enriched and is proud to have Mr. A. K. Azizul Huq Chaudhuri as its Adviser. Mr. Chaudhuri is an MA in Economics, a Fellow by examination of the world famous Chartered Insurance Institute of London (FCII) and Diploma holder in Office Management from Allied School of Accountancy & Management, Glasgow. He received 3 years advanced Training on insurance and reinsurance in England and Germany under the Overseas Students Training Scholarship of the C.I.I of U.K. He is a widely recognized insurance expert at both home and abroad, a life time fellow of the Federation of the Insurance Institute of India and an Overseas Fellow of the Economic Development Institute of the World Bank, Washington.

Mr. Chaudhuri was Managing Director of Sadharan Bima Corporation and Director of Bangladesh Insurance Academy. He is a prolific writer and author of two text books on insurance.

Financial Consultant:

Mr. Anisuz Zaman Chowdhury qualified as a Chartered Accountant in 1964 from the Institute of Chartered Accountants in England & Wales. He was admitted as an Associate Member (ACA) in 1965 and a Fellow, of the Institute of Chartered Accountants in England & Wales in 1975. He served a number of internationally reputed Chartered Accountancy Firms and International Agencies such as The World Bank/UNDP/ IFAD etc. He has wide ranging experience in Financial Management, investments and share market.

11.1.2 Rights, Duties and obligation of Trustee are detailed in chapter **15**

CHAPTER 12: TRUSTEE FEES

12.1 The Trustee shall be entitled to receive fees in accordance with the terms of engagement

12.2 The Issuer shall pay to the Trustee remuneration as set out in the Fee Letter for its services as trustee as from the date of this Trust Deed. The First year's remuneration shall be payable on signing of this trust deed and subsequent years' payments shall be paid annually on the same day of the subsequent years till full conversion of the Bonds. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Bondholders) up to and including the date when, all the Bonds having become due for conversion, and interest thereon to the date of full conversion have been paid to the Trustee, *provided that* if any cheque, payment of the moneys due in respect thereof is improperly withheld or refused,

remuneration will commence again to accrue. The regulatory expenses in relation to payment of Trustee such as Value Added Tax (VAT) shall be paid by the issuer, Advance Income Tax (AIT) on the remuneration of the Trustee shall be determined as per the prevailing laws of the land;

CHAPTER 13: DESCRIPTION OF AIL CONVERTIBLE BOND

13.1 Issuance:

13.1.1 Upon receipt of the consent of the Commission, the issuer shall offer AIL Convertible Bond under private offer with mandatory conversion features and received the proceeds in the designated bank account.

13.1.2 AIL Convertible Bond shall be offered 100% private offer

13.1.3 The Face Value of each AIL Convertible Bond shall be BDT 100,000 (one hundred thousand taka). Minimum subscription of AIL Convertible Bond shall be BDT 1,000,000 (Ten lac taka) i.e. 10 (Ten) AIL Convertible Bond of BDT 100,000 (one hundred thousand taka) each creating a lot.

13.1.4 Each BDT 100,000 AIL Convertible Bond has a fixed tenure till its final conversion to ordinary shares of AIL

13.1.5 The terms and condition of AIL Convertible Bond shall be binding on the Issuer, Trustee and Bond holders

13.2 Structures:

13.2.1 AIL Convertible Bond has the following features

(i) **Secure Interest Payment:** Interest payable during the tenure of the bond will be fully secured by bank guarantee.

(ii) **Secured Principal:** Principal amount of the bond is fully convertible during the tenure of the bond. Conversion of Bond will start from the third (3) year of the bond till its tenure.

(iii) **Call Option:** The issuer has the right to redeem (call) the “AIL Convertible Bond” earlier than maturity @ 0.25 % premium. However, there is no put option (sell it back to the issuer) to this issue for investors. The issuer has full discretion as to which bonds to be redeemed early, and the issuer will provide the bond holder a notice period of no less than 30 days before exercising the call option.

(iv) **Delayed Payment:** In case of unavoidable circumstance, if payment to bond holders is delayed then they shall be compensated by an additional 0.50% per annum on the amount due for payment;

(v) Transferability/Liquidity :The bond is easily transferable. So, if a bond holder wishes to transfer the ownership, he/she can do it. However, all transfer of the bond has to be made through CDBL.

13.3 Return on Investment:

13.3.1 The bond holders shall receive half yearly periodic payment from the Issuer. Such payment shall be determined on the basis of AIL Convertible Bond held by the bond holders on the Record Date for periodic disbursement and Record Date for Conversion

13.3.2 The Record date for the half yearly periodic payment shall be the last day of the sixth (6th) month and twelve (12th) month of the Gregorian calendar

13.3.3 The Interest of the bond shall be Base rate +10% of latest annual declared annual dividend, which is approved in the AGM

13.3.4 The calculation of the coupon payment shall be made under:

Base Rate+ 10% of latest declared annual dividend

Here, Base Rate= 7% p.a.

Latest declared annual dividend = latest declared dividend approved in the Annual General Meeting.

For example, if the company's latest declared annual dividend is 10% (Ten Percent) and approved in the AGM, then the calculation for the bond holder's coupon payment shall be as follows:

Coupon payment (p.a.) = Base Rate+ 10% of Latest declared annual dividend

= 7%+ 10% of 10% (Latest declared annual dividend approved in AGM)

=7%+1%

=8% p.a.

13.4 Conversion:

13.4.1 AIL Convertible Bond has the conversion features which shall be in effect from the end of third (3rd year) of the Bond.

13.4.2 The "AIL Convertible Bond" will be converted @ 25% per annum from the end of 3rd Year, and will be fully converted into shares of AIL by at the end of the tenure

13.4.3 The conversion strike price for each conversion shall be determined at 10% discount based on the weighted average market price of last 180 (one hundred eighty) trading days of Alif Industries Limited at Dhaka Stock Exchange Limited (DSE) prior to conversion date.

13.4.4 The Record date for the yearly conversion shall be the last day of twelve (12th) month of the Gregorian calendar. If the record date for the conversion falls on a holiday including a weekend or is a day that is not a business day or a day during a force majeure event then the subsequent trading day at Dhaka Stock Exchange Ltd shall be the record date for conversion.

13.5 Transaction Documents: Transaction Documents are as follows:

- (i) Bank Guarantee
- (ii) Trust deed
- (iii) Subscription Agreement
- (iv) Fee Letter

13.6 Bank Account of Issuer:The issuer shall open and maintain a separate bank account for the purpose of proceeds received from issuance of AIL Convertible Bond and ensures the utilization of the proceeds for the best interest of the bond holders. [1.1 and 10.3]

13.7.Features of the Bond:

Issuer	Alif Industries Limited
Manager to the Issue	Bengal Investments Limited
Lead Arranger	Bengal Investments Limited
Trustee & Paying Agent	Bangladesh General Insurance Company Limited
The Issue	AIL Convertible Bond
Arrangement Basis	Best Effort Basis
Purpose	Purchase of Land, Machinery, Existing factory retrofitting etc.
Investor	Banks, Insurance Companies, Financial Institutions, Corporate Houses and High net worth individual
Currency	Bangladeshi Taka (BDT)
Total Fund to be Raised (Issue Size)	Face Value of BD 3,000,000,000/=
Denomination	Denomination of each Convertible Bond is BDT100,000

Face Value of Each Bond	BDT 100,000/=
Interest Rate	7% base profit plus 10.0 % of latest declared dividend (Cash and Bonus) to the ordinary shareholders. The interest amount will be disbursed semi annually
Interest Payment	Interest will be paid semi-annually, i.e. twice a year, one part within one month from 30th June, and another part within one month from 31st December. The Dividend portion of the interest will be paid in the corresponding period to the AGM of the dividend being approved.
Maturity	6 Years
Minimum Investment (Subscription)	BDT 1,000,000 or its multiple
Offering Style	Private Placement
Governing Law	The laws of The People's Republic of Bangladesh
Security	Interest amount of the said bond is fully secured by Bank Guarantee.
Delayed Payment	In case of unavoidable circumstance, if payment to bond holders is delayed then they shall be compensated by an additional 0.50% per annum on the amount due for payment;
Convertibility	The "AIL Convertible Bond" will be converted @25% per annum from the end of 3rd Year, and will be fully converted into shares of AIL by at the end of the tenure. The conversion strike price for each conversion shall be determined at 10% discount based on the weighted average market price of last 180 (one hundred eighty) trading days of Alif Industries Limited at Dhaka Stock Exchange Limited (DSE) prior to conversion date.
Prepayment, Call, Refunding, Conversion Features	The issuer has the right to redeem (call) the "AIL Convertible Bond" earlier than maturity @ 0.25 % premium. However, there is no put option (sell it back to the issuer) to this issue for investors. The issuer has full discretion as to which bonds to be redeemed early, and the issuer will provide the bond holder a notice period of no less than 30 days before exercising the call option.
Investment Risk	Any investment in private debt instruments poses some degree of risk. Investors are requested to analyze the Company/Issuer

	fundamentals, seek professional consultant's opinion on legal and tax issues of the offered instrument, rigorous study of the credit rating report of the Company and the instrument, talking to regulators and personal investigate the affairs of the Company/Issuer before any such investment
Tax Features	As applicable by the Govt. All payments made by the Issuer or under or in respect of or the Bonds will be subject to any present or future taxes, duties, assessments, or governmental charges of whatever nature imposed, levied, collected, withheld, or assessed by or on behalf of Bangladesh or any political subdivision thereof or any authority thereof or therein having power to tax. The Issuer will not be obligated to pay any additional amounts in respect of such taxes, duties, assessments, or governmental charges that may from time to time be deducted or withheld from such payments but will provide or procure the provision of original or authenticated tax receipts relating to any such deductions or withholdings to Bondholders.
Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission (BSEC), the Company will issue the bonds as per the information memorandum. In no way, the Company shall issue any such bonds without taking approval from the BSEC.

CHAPTER 14: MODUS OPERANDI OF AIL CONVERTIBLE BOND

Schedule Banks, Corporate, Financial Institutions and/or Insurance Companies duly registered in Bangladesh and operating its business under the license or approval duly issued by the respective competent authority or institution of the Government of Bangladesh, high net worth individuals Resident Bangladeshi or Non-Resident Bangladeshi will be eligible for investing in the bond.

A) Form and Denomination

Particular	Amount
Total Face Value	BDT 3,000,000,000
Total Issue Amount (Discounted Value)	BDT 3,000,000,000
Number of Bonds being offered	30,000
Issue Price Per Bond	BDT 100,000
Minimum Investment	BDT 1,000,000 or its multiple (10 bonds or their multiple)
Interest Rate per year	Base rate (7%) + 10% of latest declared dividend
Conversion	25% of the face value each year starting from

Conversion price	the 3 rd year till full conversion The conversion strike price for each conversion shall be determined at 10% discount based on the weighted average market price of last 180 (one hundred eighty) trading days of Alif Industries Limited at Dhaka Stock Exchange Limited (DSE) prior to conversion date.
Tenure in Year	6 Year

Each bond (AIL Convertible Bond) shall be issued in dematerialized form having the face value of BDT 100,000 (one hundred thousand taka) each. The Minimum Subscription of AIL Convertible Bond shall be Tk. 1,000,000 (ten lac only) as stipulated in clause 13.7 (Features of the Bond) of the Trust Deed.

Subscription Forms attached in the respective IM shall be used by the persons interested to subscribe AIL Convertible Bond under private placement

B) Application Procedure

Upon consent from the BSEC, the Bonds shall be distributed through private placement. Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors. The Issue Manager/Lead arranger shall arrange subscriber for issuance of "AIL Convertible Bond" under private placement. Upon such arrangement, the Issue Manager shall notify the of interested subscribers and accordingly arrange execution of Subscription Agreement for private placement.

The Issuer shall fix the issuance date of "AIL Convertible Bond "and accordingly notify the same to the Commission. Subscription period for the private placement shall be stipulated in the IM.

i) Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and duly credit the bond to the investor's designated BO account through CDBL as per the subscription agreement.

ii) Undertaking to Subscribe

The investors will, subject to and in accordance with the provisions of the Subscription Agreement, on or before the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

iii) Subscription Closing

Subject to the condition's precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.

- a) **Investor Representation Letter:** On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer.
- b) **Payment of net issue proceeds:** On or before the Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka.
- c) **Registration:** On the Closing Date of subscription period, the Issuer shall procure the principal amount of Bonds subscribed for by the Bondholders for which payment has been received in accordance with the Subscription Agreement
- d) **Issue:** On the Closing Date, the Issuer shall duly execute and credit the bond to investors designated BO account through CDBL as per the subscription agreement and deliver the detailed report to the Trustee and the Commission.

C) Allotment

On the closing date, to be determined, the Issuer shall allot and issue the Bonds, in registered form in denomination of BDT 100,000 and minimum amount of investment is BDT 10,00,000 or its multiple, and credited the same to the investors designated BO account through CDBL as per the subscription agreement

The Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond (whether or not the Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary.

D) Refund

After the closing of subscription and completion of allotment, oversubscribed portion will be refunded within reasonable period.

E) Mode of Transfer:

Subject to the terms and conditions as to be implemented in the Trust Deed, a Bond may be transferred to another person in Bangladesh (a "**Transferee**") with a duly completed and executed instrument of transfer (a "**Instrument of Transfer**") by the registered holder of the Bond, as transferor (the "**Transferor**") or the proposed Transferee.

A valid Instrument of Transfer shall be duly stamped, completed and executed by both the Transferor and the Transferee. If the Transferor or the Transferee is a body corporate, such

Instrument of Transfer shall be executed by the authorized persons of the Transferor or the Transferee, as the case may be.

Upon receipt of the duly completed and executed Instrument of Transfer at the specified office of the Transfer Agent(**Registrar**), together with such evidence as such Transfer Agent (**Registrar**), may reasonably require to prove(i) the title of the Transferor and (ii) the signature and authority of each of the individuals who have executed the Instrument of Transfer on behalf of the Transferor and the Transferee.

Upon receipt the Instrument of Transfer and the other supporting documents named above, the Transfer Agent(**Registrar**), as the duly authorized delegate of the Issuer's Board of Directors, shall approve and take necessary action to transfer through CDBL. It is clarified that in order to give effect to any transfer of "AIL CONVERTIBLE BOND" the same has to be dematerialized form and has to transfer through CDBL. Any cost arising from transfer of the bond, the applicable law of CDBL and Commission shall apply to both transferor and transferee.

If the Transfer Agent (**Registrar**) refuses to register the transfer of any Bond it shall immediately provide notice of such refusal to the Issuer. If the Issuer does not agree with the Transfer Agent's refusal to approve and certify such transfer, it shall within 3 (three) Business Days of receipt of such notice from the Transfer Agent (**Registrar**), direct the Transfer Agent (**Registrar**), to approve and certify the transfer as requested in the relevant Instrument of Transfer. If the Issuer agrees with Transfer Agent (**Registrar**), that the requested transfer should be refused, the Issuer shall, within 30 (thirty) days from the date on which the relevant Instrument of Transfer was lodged with the Transfer Agent(**Registrar**), send or cause to be sent notice of such refusal to both the Transferor and the Transferee.

Where it is proved to the satisfaction of the Issuer that a duly completed and executed Instrument of Transfer has been lost, the Issuer may, in its discretion, on application in writing made by the Transferee and bearing such stamp as is required by an Instrument of Transfer, register such transfer on such terms as to indemnity as the Issuer may think fit.

CHAPTER 15: RIGHTS, DUTIES AND OBLIGATION OF THE TRUSTEE

15.1 Description: Trustee is duly registered with the Commission to perform the function and carry out its duties and responsibilities under this Trust Deeds

15.2 Duties, Responsibilities and Obligations:

15.2.1 The trusty hereby covenants to perform the following duties and responsibilities namely:

(i)It shall act on behalf of and for the exclusive interest of the bond holders and hold the Trust Property on behalf of the bondholders and safeguard their interest.

(ii) It shall ensure compliance of the Issuer as per the requirements of Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021

(iii) It shall ensure timely payment of all dues including Half yearly Periodic Payment, Bond Conversion, exercise of call options (If any)

(iv) It shall ensure the compliance of Transaction documents and the provision of the chapter 13, 14

(v) It shall enforce the rights over the credit enhancement or bank guarantee when it is necessary to do so as provided in chapter 7

(vi) It shall call and conduct Bond holders meeting as it deems fit necessary or as per minimum requirement.

(vii) The Trustee shall take adequate steps for redress of grievance of the bond holders within one (1) month of the date of the receipt of the complaints and shall keep the Commission informed about the number, nature and other particulars of complaints and the manner which such complaints have been redressed

(viii) It shall submit report to the Commission as per Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021

(ix) The Trustee shall submit reports to the Issuer as provided in the Transaction Documents and clauses 13 and 14 of this Trust Deed

(x) The Trustee shall comply with and perform and observe all provisions of this Trust Deed and the other Transaction Documents.

(xi) The Trustee shall comply with the duties and responsibilities provided under any law or rules and regulations of the Commission that is applicable for trustee, for the purpose of this Trust Deed.

(xii) The Trustee shall all times carry on and conduct its affairs in a proper and efficient manner in compliance with any requirement of law in force in Bangladesh and compliance with this Trust Deed.

(xiii) The Trustee shall obtain, comply with the terms of and do all the necessary:

- (a)** To maintain in full force and effect all authorizations, approvals and licenses and consents necessary under any law in connection with its business, and
- (b)** To enable it lawfully to enter into and perform its obligations under this Trust Deed.

(xiv) At the time of execution of this Trust Deed, the Trustee shall notify the Commission with a copy to the Issuer the list of the members of the committee formed by the Trustee for the purpose of AIL Convertible Bond Trust and a list of authorized persons with a specimen signature duly attested by all such members of the committee formed by the Trustee for the purpose of performing the functions of the Trustee. The Trustee shall give prior notification to the Issuer of any changes to such list of members of the committee and authorized persons

(xv) The Trustee shall remain liable for all acts, functions and duties performed of those members of the committee formed by the Trustee and authorised persons as stated in clause 15.2.1 (xiv)

(xvi) The Trustee and its directors and officers and members and authorized persons stated in clause 15.2.1(xiv) shall be precluded from making any contracts or entering into any transactions (Other Business) with the issuer which would place fiduciary duties towards bond holders in conflict with its rights and obligations in such Other Business.

(xvii) Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any bond holder any confidential information (financial or otherwise) made available to the Trustee by the issuer or any other person in connection with this Trust Deed, Transaction Documents and no bond holders shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds, more particularly payment of interest on Bonds and conversion of such Bonds, save in relation to its own gross negligence, wilful default or fraud. Trustee will not be liable for any compensation to Bond Holders in the event that the issuer shuts down operation or goes in to liquidation prior to conversion of the bonds. The Trustee and or the Paying Agent shall not be liable, under any circumstances, for failure on the part of the Issuer to pay interest of the Bond Holders on due time.

1.3 **Trustee's Right**

15.3.1 Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to the Securities and Exchange Commission (Debt Securities) Rules 2021 together with all its amendment, modification or ratification thereof.

15.3.2 Advice: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission. However, the trustee should also perform the standard due diligence process in case of receipt of any advice, whatever means the communication form either print or electronic, in relation to the issuance of the bond;

15.3.3 Resolution or direction of Bondholders: the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may

subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;fee

- 15.3.4 *Trustee not responsible for investigations:*** save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;
- 15.3.5 *Events of Default:*** save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable; and
- 15.3.6 *Right to Deduct or Withhold:*** notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall act to make such deduction or withholding as per the prevailing laws of the land.
- 15.3.7 *Liability:*** Under no circumstance will the Trustee be liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of business, goodwill, opportunity or profit), whether or not foreseeable, even if the Trustee has been advised of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise. This Clause 6.1.8 shall survive the termination or expiry of this Trust Deed or the removal or termination of the Trustee.

- 15.3.8 **Force Majeure:** The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.
- 15.3.9 **Immunities:** The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds.
- 15.3.10 **Professional charges:** any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person). In this connection prior approval from the Issuer should be obtained by the Trustee.
- 15.3.11 **Expenditure by the Trustee:** nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it, subject to prior approval from the Issuer; and
- 15.3.12 **Trustee Liability:** The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds, more particularly payment of interest on Bonds and conversion of such Bonds, save in relation to its own gross negligence, wilful default or fraud. Trustee will not be liable for any compensation to Bond Holders in the event that the issuer shuts down operation or goes in to liquidation prior to conversion of the bonds. The Trustee and or the Paying Agent shall not be liable, under any circumstances, for failure on the part of the Issuer to pay interest of the Bond Holders on due time.

15.3.13 *Right to Sue: The Trustee may sue and* may be sued on behalf of the Bondholders.

CHAPTER 16: RIGHTS, DUTIES AND OBLIGATION OF THE ISSUER

16.1 Covenant to Pay

The Issuer covenants with the Trustee that it shall, as and when any of the interest payment under the Bonds become due for payment on the Bonds or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds, the interest payments of the Bonds becoming due for payment, repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (*both* before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions interest on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions *provided that*:

- every payment of interest in respect of the Bonds or any of them made to or to the account of the Paying Agent i.e. Trustee in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions.
- if any payment of interest in respect of the Bonds or any of them is made after the due date then “condition of the bond” shall be applicable in respect of delayed payment and, payment shall be deemed partial payment until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions

16.2 Following an Event of Default

At any time after any Event of Default shall have occurred, the Trustee may:

- 16.2.1 by notice in writing to the Issuer, the Paying Agent and the other Agents, require the Paying Agent and the other Agents or any of them, until notified by the Trustee to the contrary:

16.2.2 by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub Clause 16.1 (*Covenant to Repay*)

16.3 Covenant to comply with Trust Deed, conditions, Schedules, Agency Agreement and applicable law

16.3.1 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to The Securities and Exchange Commission (Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

16.3.2 The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

16.4 Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

16.4.1 Books of account

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

16.4.2 Event of Default

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

16.4.3 Corporate Governance

Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Securities and Exchange Commission.

16.4.4 Information

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Trust Deed

16.4.5 Execution of further Documents

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

16.4.6 Notices to Bondholders

Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

16.4.7 Notification of non-payment

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, and notify the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;

16.4.8 Notification of late payment

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;

16.4.9 Notification of Call Exercise Date

Not less than 30 (thirty) days prior to the Call Exercise Date in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

16.4.10 Authorised Signatories

Upon the execution hereof and thereafter forth with upon any change of the same, deliver to the Trustee a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and

16.4.11 Payments

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by laws of the land.

CHAPTER 17: CHAPTER 16: RIGHTS, DUTIES AND OBLIGATION OF THE BOND HOLDERS

17.1 Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors, and which shall be

an integral part of this Trust Deed.

17.2 The rights of the Bondholder are several and any debt or other obligation arising under the Subscription Agreement at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.

17.3 Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed.

17.4 Each Bondholder has the right to receive ordinary shares of Alif Industries Limited as set forth in the conditions of conversion, at the end of due tenure

17.5 Each Bondholder has the right to receive interest on the Bond on the Interest Payment Date as set out in the 13.5 (Feature of the Bond)

17.6 Each Bondholder has the right to attend meeting of the Bondholders and vote.

17.7 The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur as per provisions of this Trust Deed in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents

CHAPTER 18: RETIREMENT AND SUBSTITUTION OF TRUSTEE AND APPOINTMENT OF NEW TRUSTEE

18.1 Appointment of Trustees: Subject to Clause 18.7 (*BSEC approval required*) below, the power of appointing new trustees of this Trust Deed shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution. Any appointment of a new trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Bondholders

18.2 Attorneys: The Issuer hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Trust Deed) have such trusts, powers, authorities and discretions as per this trust deed and such duties and obligations as shall be conferred on such person or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such proper remuneration as the Trustee may pay to any such person, together with any attributable costs, charges and

expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Trust Deed be treated as costs, charges and expenses incurred by the Trustee.

18.3 Retirement of Trustees: Subject to Clause 18.7(*BSEC approval required*) below, any Trustee for the time being of this Trust Deed may retire at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefore and without being responsible for any costs occasioned by such retirement. The retirement of any Trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such retirement. The Issuer hereby covenants that in the event of the only trustee hereof which is a trust corporation giving notice under this Clause it shall use its best endeavours to procure a new trustee, being a trust corporation, to be appointed and if the Issuer has not procured the appointment of a new trustee within 30 days of the expiry of the Trustee notice, the retiring Trustee shall be entitled to procure forthwith a new trustee.

18.4 Removal of Trustees: The BSEC may, on the application of the Bondholders and or the issuer have the power, exercisable by Extraordinary Resolution, to remove any trustee or trustees for the time being hereof. The removal of any trustee shall not become effective unless a successor trustee is appointed prior to such removal. Such removal of Trustee shall not become effective unless a successor is appointed. In addition to that, such removal shall not affect any antecedent claim till the date of removal.

18.5 Additional Powers: The powers conferred by this Trust Deed upon the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as the holder of any of the Bonds.

18.6 Merger: Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In such case the Trustee will notify the Issuer and Bondholders in writing immediately after decision of the Board of the Trustee

18.7 BSEC approval required: Notwithstanding anything to the contrary in this Clause, no trustee hereunder may be appointed or removed, and no trustee hereunder may retire without the prior written approval of the BSEC.

CHAPTER 19: MEETING OF THE BOND HOLDERS

19.1 Definition for the provisions of Chapter 19

In this Trust Deed the following expressions have the following meanings as applicable to the provisions of chapter 19

“Chairman” means the relation to any Bondholders Meeting, the individual who takes the chair in accordance with the clause 19.6

“Meeting Platform” means physical location, the digital platform or hybrid platform where bondholders Meeting shall be held by attendance of the bondholders in person (Including virtual presence in digital platform), by proxy, by attorney or by authorized representative stated in chapter 19

“Specific Matter” means any other powers stipulated in clause 19.8

“Bondholders Meeting” means a meeting of the bondholders held as provided in chapter 19

19.2 Notice:

19.2.1 Not less than fifteen (15) days’ notice shall be served on the Bondholders specifying the Meeting Platform, day and hour of the Bondholders meetings which includes record date with a statement of the Specific Matter to be transacted at such meeting, which shall be given either by advertisement or by notice sent by post or otherwise served. With the consent in writing of all the Bondholders entitled to receive notice of a particular Bondholders Meeting, such meeting may be convened by a shorter notice and in matter they think fit.

19.3 Quorum:

19.3.1 Two third (2/3) of the total bond holders entitled to vote and present in the Meeting platform shall be the quorum in any Bondholders Meetings.

19.3.2 No business shall be transacted at any Bondholders Meeting unless there is a valid quorum.

If a valid quorum is not present in the Meeting Platform within fifteen (15) minutes of the time specified for the bond holders Meeting, the said meeting shall be adjourned to the same day in the next week at the same time and same Meeting Platform, as the case may be where only Specific Matters circulated for the original meeting shall be discussed and resolved.

Notice to resumption of an adjourned meeting including the date, time and the Meeting platform shall be published in the website of the Issuer, Trustee which shall be deemed service of notice to the Bondholders of the adjourned meeting. However, if for any reason the same Meeting Platform can not be used for adjourned meeting, Issuer shall serve three (3) days prior notice to the Bondholders of the new Meeting platform for such meeting.

However, if there is no quorum in the resumed meeting, the same shall be cancelled.

19.4 Voting:

19.4.1 At a Bondholder’s Meeting, a resolution put to vote shall be decided in the first instance by a show of hands of every bondholders present at the Meeting Platform in person or by proxy or by attorney or

authorized representative of a legal entity duly appointed through letter of authority of the board of directors or executive committee or any similar body with power to grant such authorization and duly attested by the chief executive officer or the company secretary of such legal entity at the Meeting Platform, shall have one vote and upon a poll called by the chairman or every bondholders present in person or by proxy or by attorney or authorized representative at the Meeting Platform, shall have one vote for each AIL Convertible Bond held by it/him on the record date declared for such meeting.

19.4.2 Votes may be given either personally or by proxy, or in the case of legal entity, by an attorney or authorized representative at the Meeting Platform aforesaid.

19.5 Meeting Record Date:

19.5.1 The Issuer may fix a record date for the purpose of any Bondholders Meeting provided that such record date is not more than fifteen (15) days prior to the date fixed for such meeting.

19.5.2 The person whose name a AIL Convertible registered in the CDBL data base on the record date shall be deemed to be the Bondholders for the purpose of Bondholders Meeting.

19.6 Chairman:

19.6.1 An individual (who may, but need not be a Bondholder) nominated in writing by the Trustee with written consent of the Issuer may take the chair at any Bondholders Meeting but, if no such nomination is made or if the individual nominated is not present within fifteen (15) minutes after the time fixed for such meeting, the bondholders present at the meeting platform shall elect one of themselves to take the chair, failing which the Issuer may appoint a person to chair for such meeting. The Chairman of an adjourned meeting need not be the same person as was the Chairman of the original meeting.

19.6.2 Chairman shall not have any vote or casting vote. However, if the Chairman is a Bondholder, he may cast his vote similar to other Bondholders.

19.7 Poll:

19.7.1 A demand for a poll shall be valid if it is made by the Chairman or not less than one tenth of the aggregate principal amount of AIL Convertible Bond holders outstanding of the Bondholders entitled to vote. The poll may be taken immediately or after such adjourned as such Chairman directs, but any poll demand on any question of adjourned shall be taken at the Bondholders Meetings without adjourned.

19.8 Power:

19.8.1 A Bondholder Meeting shall have the power to decide on any of the following specific matter:

(i) to remove or substitute any Trustee, or to approve the appointment of new Trustee in accordance with the provision of this Trust Deed approved by two-third majority of the all Bondholders by value present at the meeting Platform of the said meeting

(ii) to authorize the Trustee, or any other person to execute all the documents and do all things necessary to give effect to any resolution of the Bond Holders Meeting approved by majority of the Bondholders by value present at the meeting platform of the said meeting

19.9 Minutes of all resolutions and proceeding at each Bondholders Meeting shall be made and recorded. The chairman shall sign the minutes.

CHAPTER 20: WAIVER AND AMENDMENT PROVISIONS OF THE TRUST DEED

20.1 Waiver

The Trustee may, without any consent or sanction of the Bondholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Bondholders shall not be materially prejudiced thereby, authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any breach or proposed breach of any of the covenants or provisions contained in this Trust Deed or the Bonds or determine that any Event of Default shall not be treated as such for the purposes of this Trust Deed; any such authorisation, waiver or determination shall be binding on the Bondholders and the Trustee shall cause such authorisation, waiver or determination to be notified to the Bondholders as soon as practicable thereafter in accordance with the Condition relating thereto; *provided that* the Trustee shall not exercise any powers conferred upon it by this Clause in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than $66\frac{2}{3}$ percent in aggregate principal amount of the Bonds then outstanding (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any such breach or proposed breach relating to any of the matters the subject of the Reserved Matters.

20.2 Modifications

The Trustee may from time to time and at any time without any consent or sanction of the Bondholders concur with the Issuer in making (a) any modification to this Trust Deed (other than in respect of Reserved Matters as specified in any provision of this Trust Deed referred to in that specification), or the Bonds which in the opinion of the Trustee it may be proper to make provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Bondholders or (b) any modification to this Trust Deed or the Bonds if in the opinion of the Trustee such modification is of a formal, minor or technical nature or made to correct a manifest error. Upon reciprocal consent with the issuer and trustee thereafter duly notify to BSEC regarding such modification, any such modification shall be binding on the Bondholders and, unless the Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Bondholders as soon as practicable thereafter in accordance with the Conditions

CHAPTER 21: FORCE MAJEURE

21.1 The Issuer and Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.

CHAPTER 22: MISCELLANEOUS

22.1 NOTICES

22.1.1 Addresses for notices

All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent as follows:

22.1.2 *Issuer*: If to the Issuer, to it at:

Alif Industries Limited
Corporate Head Office
Bilquis Tower 9th Floor
Plot 6, road 46, Gulshan
Dhaka 1212

Attention: The Managing Director

22.1.3 *Trustee* if to the Trustee, to it at:

Bangladesh General Insurance Compnay Limited

Attention: Chief Executive Officer

22.2 Effectiveness

Every notice or other communication sent in accordance with Clause 22.1.1 shall be effective as follows if sent by letter, it shall be deemed to have been delivered as and when received after the time of despatch and if sent by email it shall be deemed to have been delivered at the time of despatch *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding Business Day in the place of the addressee.

22.3 SEVERABILITY

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

22.4 COUNTERPARTS

This Trust Deed may be executed in any number of counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF this Trust Deed has been executed as a deed by the parties hereto and is intended to be and is hereby delivered on the date first before written.