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TRUST DEED

BDT 550,000,000 Non-Convertible, Fully Redeemable & Unsecured Bond for Private placement

MK Footwear PLC


(As Issuer)


Community Bank Investment Ltd

(As Bond Trustee)

[Subjected to BSEC Approval]

Dated _____


Noor Mohammed
Managing Director
MK FOOTWEAR PLC


Shibly Amran
Chief Executive Officer
Community Bank Investment Limited

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THIS TRUST DEED (THIS "TRUST DEED") IS MADE IN DHAKA AND ENTERED INTO ON THE _____ DAY OF _____, 2024 OF THE CHRISTIAN ERA.

BETWEEN

MK FOOTWEAR PLC (the "Issuer" and the "Settler"), a public limited company with limited liability incorporated under the Companies Act, 1994 of Bangladesh having its registered office at Nayonpur Bazar, Chalkpara, Medical more, Mawna - Dulivita Rd, Mawna Union 1740, Gazipur, Bangladesh represented by its Managing Director (hereinafter referred to as the "Issuer" or the "Company", which expression shall, unless excluded by or repugnant to the context herein, include its successors in interest, legal representatives, administrators and assignees) the **FIRST PART**;

AND

COMMUNITY BANK INVESTMENT LTD, a company with limited liability incorporated under the Companies Act, 1994 and operating as a financial intermediary providing merchant banking, securities and investment management services and having its registered office at Road#144, Plot #2, Police Plaza Concord (Level 12, Tower 2), Dhaka, 1212, Bangladesh; (hereinafter referred to as the "**Trustee**", which expression shall, unless it is repugnant to the context or meaning thereof, its successors in interest, legal representatives, administrators and assigns) of the **SECOND PART**;

WHEREAS

- (a) The Issuer has proposed to issue Bonds and accordingly approached the subscribers through private offer and the subscribers have agreed to subscribe the Bonds and consequently, the Issuer shall enter into Subscription Agreements with the subscribers and the Issuer further covenants to pay, subject to terms and conditions of the Bond Documents, all sums due under the Bonds to the Bondholders.
- (b) The Bangladesh Securities and Exchange Commission (the "**BSEC**") has duly consented to the issuing of the Bonds, through consent letter vide reference _____ dated _____.
- (c) The Issuer, as Settlor, has decided to create a trust of covenants for the said Bonds and the Bondholders shall be beneficiary of the said trust and the said trust shall be known as the "**MK FOOTWEAR PLC BOND TRUST**".
- (d) The Issuer has decided to appoint the Trustee, registered with BSEC in accordance with Rule 13 of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, as trustee in respect of the trust of covenants for the Bonds under which the Trustee will hold the benefit of the covenants made by the Issuer on trust for the benefit of the Bondholders; and provide evidence for proper utilization and repayment/redemption of the issue. The Trustee has agreed to act and perform by accepting the trust declared by the Issuer as Settlor in accordance with the Trusts Act, 1882, for the objects set out hereinafter.

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- (e) The Trustee has, at the request of the Issuer, consented to act as Trustee on the terms and conditions appearing hereinafter and obtained the approval of the Bangladesh Securities and Exchange Commission to act as Trustee to the issue through a letter dated _____.

NOW THIS DEED WITNESSES AND IT IS HEREBY DECLARED AS FOLLOWS:

1. OBJECTIVES OF THE ISSUE

The Issuer has been authorized in its Board Meeting held on 21st November 2023 to issue 550 (Five hundred fifty) number of Bonds, in the form or substantially in the form set out in the Conditions, which may, from time to time be, modified in accordance with this Trust Deed, and any reference in this Trust Deed to a particular numbered Condition shall be construed accordingly, up to an amount of BDT 550,000,000.00 for a term of 08 (Eight) years, with 2 (Two) years moratorium period as per terms of the Condition, to meet the requirement of buyer compliance and working capital requirements.

2. DEFINITION AND INTERPRETATION

2.1. Definition

In this Trust Deed the following expressions have the meanings specified hereunder.

"Affiliate"

means, in relation to any Person, a subsidiary of that person or a Holding Company of that person or any other subsidiary of any Holding Company of that person.

"Agency Agreement"

means the agreement executed amongst the Issuer, as principal, the Agent (Calculation Agent and Paying Agent), for the purpose of performing the obligations imposed under the Conditions and all schedules and annexure attached hereto as originally executed and as varied, amended, supplemented or modified from time to time.

"Agent"

means the Agent appointed under Agency Agreement.

"Applicable Laws"

means applicable laws (including common law), statutes, codes, by-laws, rules, regulations, orders, ordinances, protocols, guidelines, treaties, policies, notices, directions, decrees, judgements, awards or requirements, in each case of any governmental authority.

"Appointee"

means any delegate, agent, nominee, receiver, attorney or custodian appointed by the Trustee pursuant to the provisions of this Trust Deed.

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"Arranger"	means Alpha Capital Management Limited, having its Head Office at Eastern Arzoo Complex, Level-07, Bijoy Nagar, Dhaka-1000.
"Bonds"	means the debt securities, in form of Unsecured, Coupon bearing bond with no conversion Feature, in compliance with the provision of the Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021 and the Conditions (each a "Bond").
"Bond Documents"	means this Trust Deed, Conditions, Agency Agreement, Subscription Agreement, if any, as modified from time to time in compliance with the Applicable Laws.
"Bondholder"	means a person in whose name a Bond (or, as the case may be, such Bond) is registered in the Register.
"Bond Specific Matter"	means any matter that will affect the rights and interest of the Bondholders.
"BSEC"	means Bangladesh Securities and Exchange Commission, constituted in accordance with the applicable law of Bangladesh.
"Business Day"	means a day on which banks are generally open for business in Bangladesh.
"CDBL Register"	means the legal ownership register maintained by CDBL relating to Securities recorded in the name of CDBL in the depository part of the company register;
"Closing Date"	shall mean the issue date on which Bonds have been issued in favour of the subscriber(s) upon satisfaction of all conditions under the Bond Documents.
"Conditions"	means, the terms and conditions of the Bonds, substantially in the form set out in Schedule I (<i>Terms and Conditions of the Bonds</i>) hereto, which may, from time to time, be modified in accordance with this Trust Deed and any reference in this Trust Deed to a particular numbered Condition shall be construed accordingly.

“Coupon Payment Date”

means the date coupon payable by the Issuer on the Bonds to the Bondholders. First Coupon Payment Date shall commence the last Business Day of the sixth month from the issue date and thereafter shall occur after every six months. If any Coupon Payment Date would otherwise fall on a day which is not a business day, the date on which payment shall be made shall be the next Business Day. However, last Coupon Payment Date shall be the Maturity Date. For avoidance of doubt, Coupon shall be paid as per terms of Condition VII (C) (*Coupon Payment Date*) of the Conditions.

“Coupon Period”

means the period or tenure beginning on (and including) the Subscription Date or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date.

“Coupon Range”

means 9.00% to 11.50% per annum at all times

“Coupon Rate”

means the aggregate of the Coupon Margin and the Reference Rate on the relevant Coupon Rate Determination Date for such Coupon Period.

"Coupon Rate Determination Date" or

"Coupon Fixing Day"

means 5 Business Days prior to a Coupon Period. However, first Coupon Rate Determination Date shall be immediately preceding Business Day of the Issue Date or Subscription Date;

"Coupon Margin"

is 2.00 percent per annum

“Engagement Letter”

means the engagement letter dated 14th February, 2024 between the Issuer and Trustee. The engagement letter shall form part of the Trust Deed and shall have effect accordingly.

“Event of Default” or “Default”

means each of the events and circumstance set out in Schedule I (*Terms and Conditions of the Bonds*).

“Exchange(s)”

means Dhaka Stock Exchanges Limited and/or Chattogram Stock Exchanges PLC.



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“Face Value”	means the nominal value of the Bond stated by the Issuer and for this purpose the face value of Bond shall be BDT 1,000,000.00 (Ten Lac) only.
“Information Memorandum”	means the investment document of the Issuer containing all the features of the Bonds, and prepared for the prospective investors allowing them to take informed decision as to subscription of the Bonds.
“Investors”	means Banks, NBFIs, Corporate Entities, Mutual Funds, Insurance Companies, Institutional Investors, Alternative Investment fund and High Net-Worth Individual Investors.
“Issue Date”	shall refer to the date on which the Bonds are issued by the Issuer.
“Issue Price”	shall mean the Face Value of a Bond, which shall be payable by the subscriber to subscribe the Bonds in accordance with the Subscription Agreement.
“Liability”	means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;
"Paying Agent"	means the paying agent appointed under the Agency Agreement.
"Person"	means any individual, corporation, partnership, company with limited liability, joint venture, association, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.
"Private Offer"	means an offer of securities by the Issuer to any local or foreign person in a way other than public offer under the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

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"Public Offer"

means an offer of securities by the Issuer to the general public including any local or foreign person under the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

"Reference Rate"

means six months moving average rate of treasury bill (smart), published on the Bangladesh Bank website on the Coupon Fixing Day.

The Reference rate will be fixed by the Trustee semi-annually on five (05) working days prior to the commencement of each Coupon Payment Period throughout the tenor of the bond. For avoidance of doubt, the Reference Rate shall be calculated by the Trustee and notified to the Issuer and all Investors on every Coupon Rate Determination Date.

"Registrar"

means the Person who has been appointed as Registrar of the Bonds under the Agency Agreement.

"Register"

means the Register including CDBL Register (if any) of Bondholders maintained in accordance with the Conditions.

"Repay"

shall include "**repaid**", "**repayable**", "**repayment**", " shall be construed accordingly;

"Subscription Agreement"

means the agreement between the Issuer and the Investor pursuant to which the Investor has agreed to subscribe for the Bond.

"Tax"

means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Trust Deed"

means this Trust Deed, the Bonds and the Schedules (as each may from time to time be modified in accordance with the provisions contained herein) and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions hereof (as from time to time

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modified as aforesaid) and expressed to be supplemental hereto.

2.2. Interpretation

In this Trust Deed, references to:

2.2.1. Statutory modification:

A provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made there under or under such modification or re-enactment;

2.2.2. Tax:

Costs, charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof;

2.2.3. Currency:

All references to "**BDT**" or "**Taka**" are to the lawful currency of the People's Republic of Bangladesh ("**Bangladesh**") at all times;

2.2.4. Clauses and Schedules:

A Schedule or a Clause or sub-clause, paragraph or sub-paragraph is, unless otherwise stated, to a schedule hereto or a clause or sub-clause, paragraph or sub-paragraph hereof respectively;

2.2.5. Gender:

Words denoting the masculine gender shall include the feminine gender also, words denoting individuals shall include companies, corporations and partnerships and words importing the singular number only shall include the plural and, in each case, vice versa;

2.2.6. Continuing:

A Default is "**continuing**" if it has not been remedied or waived;

Persons:

A person includes a reference to that person's legal personal representative, successors and permitted assigns and transferees; and

2.2.7. Agreement:

An agreement or a document includes any agreement or document executed in accordance with the provisions thereof and expressed to be supplemental thereto.

2.3. The Conditions

In this Trust Deed, unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed. In the case of any conflict or inconsistencies in respect thereof, the Conditions shall prevail.

2.4. Headings

The headings and sub-headings are for ease of reference only and shall not affect the construction of this Trust Deed.

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2.5. The Schedules

The schedules are part of this Trust Deed and shall have effect accordingly.

3. RELATIONSHIP BETWEEN THE PARTIES

The Bonds are constituted by this Trust Deed (as amended or supplemented from time to time) for the Bondholders. The Issuer has agreed to appoint the Trustee as trustee (the "Trustee", which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) for the Bonds and the Trustee shall act as trustee for the benefit of the Bondholders as beneficiaries of the trust, however, subject to this Trust deed. The statements in the terms and conditions of the Bonds include summaries of, and are subject to, the detailed provisions of the Trust Deed.

4. GOVERNING LAW AND DISPUTE RESOLUTION

4.1. Governing Law

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

4.2. Dispute Resolution

Any dispute arising from, or in connection with this Trust Deed, the Bonds and/or the Conditions (including a dispute relating to non-contractual obligations arising from or in connection with this Trust Deed, the Bonds and/or the Conditions, or a dispute regarding the existence, validity or termination of this Trust Deed, the Bonds and/or the Conditions, or consequence of their nullity) ("**the Dispute**") between the Issuer and the Trustee, or between the Issuer and the Bondholders, or between the Trustee and the Bondholders shall be resolved by Arbitration in accordance with the provision of the Arbitration Act 2001. Each Party shall appoint its arbitrators and the arbitrators shall appoint the chairman of the arbitral tribunal. The venue of arbitration shall be in Dhaka, Bangladesh. The language of the arbitration shall be English. Unless otherwise determined by the arbitral tribunal, each party to an arbitral proceeding shall bear its respective cost relating to the arbitration proceeding.

5. DESCRIPTION OF THE TRUST

5.1. Creation of the Trust

The Settlor hereby declares and confirms that it has simultaneously with the execution of this Trust Deed settled and, does deliver to and make over to the Trustee an amount of **BDT 500,000.00 (Five Hundred Thousand)** only (the "**Trust Property**") TO HAVE AND HOLD the same together with all additions or accretions thereto UPON the trust and confirms that it will transfer the said amount, together with all additions or accretions thereto, and the investments representing the same would be applied and governed by the terms and conditions of this Trust Deed, and any direction of the Issuer at the time of creation of the Trust. This trust shall remain valid and the Trustee shall perform its duty as trustee until Bonds have been redeemed in accordance with the provision of this Trust Deed.

5.2. Acceptance of the Trust

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

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5.3. Name of the Trust

The Trust hereby created shall be called the " **MK Footwear PLC Bond Trust**" (herein referred to as the "**Trust**"). There shall be a seal of the Trust under the name and style of " **MK Footwear PLC Bond Trust**" and all acts shall be done and all books of account of the Trust shall be maintained, kept and operated under the foregoing name.

5.4. Purpose of the Trust

The purpose of the Trust is to manage and administer the Bonds in accordance with the terms of this Trust Deed and the Conditions, and to execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith, and to hold the benefits deriving from the covenants made by the Issuer in this Trust Deed and the Conditions on trust for the Bondholders as beneficiaries.

5.5. Registered Address of the Trust

The offices of the 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 absolute discretion.

5.6. Beneficiaries of Trust Property

The Trust Property shall be held for the benefit of the Bondholders (the "Beneficiaries") for distribution in accordance with law.

6. COLLATERAL SECURITIES

The Bonds are unsecured in nature and so there will be no enforceable charge created over the securities. However, the director's shares will be pledged to the trustee for the sum of disbursement received in the following manner calculation to determine the number of shares against disbursement is as follow:

Collateral Value per share = (Six Months weighted average market value of MK Footwear PLC's share – 30% discount on the weighted average value).

7. COSTS AND EXPENSES

7.1. Expenses

In addition to the payment of remuneration in accordance with Clause 9.1 (*Normal Remuneration*) of this Trust Deed, the Issuer shall pay or discharge all costs, charges and expenses incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Trust Deed, including but not limited to reasonably incurred travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing any provision of this Trust Deed, upon the production of documentary evidence to the satisfaction of the Issuer of the incurrence of the same.

7.2. Stamp duties

The Issuer will pay all stamp duties, registration fees, and other similar duties or taxes (if any) payable on

- (a) the constitution and issue of the Bonds,
- (b) the initial delivery of the Bonds,
- (c) any action taken by the Trustee (or any Bondholder, where permitted or required under this Trust Deed) to enforce the provisions of the Bonds or this Trust Deed and
- (d) the execution of this Trust Deed.

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7.3. Indemnity to the Trustee

The Issuer shall indemnify the Trustee

- (a) in respect of all liabilities and expenses incurred by the Trustee or by any Appointee or other person appointed by the Trustee to whom any trust, power, authority or discretion may be delegated by the Trustee in the execution or purported execution of the trusts, power, authorities or discretions vested in the Trustee by this Trust Deed and
- (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or things done or omitted in any way relating to this Trust Deed,

Provided that the Trustee had exercised reasonable care in the appointment of such person. The indemnity in this Trust Deed will survive even after redemption or maturity of the Bonds, the termination of this Trust Deed and the termination of the appointment of, or resignation of, the Trustee.

8. TRUSTEE

8.1. Co-trustees

Notwithstanding the provisions of Clause 8.1 (*Co-Trustees*), the Trustee may, with the prior consent of the BSEC, if applicable, the Issuer and the Bondholders, appoint any person having qualification of being trustee to act either as a separate trustee or as a co-trustee jointly with the Trustee:

- a) if the Trustee considers such appointment is required for securing the interests of the Bondholders; or
- b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed; or
- c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction either of a judgment already obtained or of this Trust Deed.

8.2. Powers additional

The powers conferred upon the Trustee by this Trust Deed and the other Bond Documents shall be in addition to any powers which may from time to time be vested upon the Trustee by the general law.

8.3. 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.

8.4. Change of Trustee

- 8.4.1. Pursuant to Rule 16 of the Bangladesh Securities Exchange Commission (Debt Securities) Rules 2021, if the Trustee resigns or fails to perform its duties under this Trust Deed or under the Bangladesh Securities Exchange Commission (Debt Securities) Rules 2021, the Bondholders, through a meeting shall appoint a substitute trustee or change the trustee:

Provided that in such a meeting the decision to change a Trustee shall be passed by two-third majority of the Bondholders by value present in the said meeting.

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- 8.4.2. The substitute Trustee shall meet the qualification requirements set out in this Trust Deed and under the rules or laws provided by the BSEC from time to time.
- 8.4.3. The Trustee which is replaced shall do all that is necessary to substitute the new trustee in its place.

9. TRUSTEE'S FEE

9.1. Normal Remuneration

So long as the Trustee is a trustee under this Trust Deed and any Bond remains outstanding, the Issuer shall pay the remuneration, as may have been specified in the Engagement Letter, to the Trustee for its services on advance basis.

Fees and expenses of the trustee: The Issuer shall pay the fees and expenses of the Trustee as mentioned in the appointment letter with regard to trust management of the concerned securities.

9.2. Tax

All payments in respect of the obligations of the Issuer under this Trust Deed shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes, unless such withholding or deduction is required by law. In any event, this Clause 9 is to be read in light with the terms of the Appointment Letter.

If deduction of tax is required by law to be made by the Issuer, the amount of the payment due from the Issuer shall be increased to an amount which (after making any deduction of tax) leaves an amount equal to the payment which would have been due if no deduction of tax had been required.

If the Issuer is required to make deduction of tax, it shall make that deduction and any payment required in connection with that deduction within the time allowed and in the minimum amount required by law.

Within 30 (thirty) days of making either deduction of tax or any payment required in connection therewith, the Issuer shall deliver to the Trustee the payment evidence reasonably satisfactory to the Trustee that the deduction of tax has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

9.3. Value Added Tax

The Issuer shall in addition to pay an amount equal to the amount of any value added tax or similar tax chargeable to the extent required by law in respect of its remuneration under this Trust Deed. In any event, this Clause 9 is to be read in light with the terms of the Engagement Letter.

If deduction of value added tax or similar tax is required by law to be made by the Issuer, the amount of the payment due from the Issuer shall be increased to an amount which (after making any deduction of value added tax or similar tax) leaves an amount equal to the payment which would have been due if no deduction of value added tax or similar tax had been required.

Within 30 (thirty) days of making either deduction of value added tax or similar tax or any payment required in connection therewith, the Issuer shall deliver to the Trustee the

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payment evidence reasonably satisfactory to the Trustee that the deduction of tax has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

The Issuer shall keep and hold indemnified the Trustee from tax and value added tax or similar tax obligation. The Issuer shall (within seven days of demand by the Trustee) pay to the Trustee an amount equal to the loss, liability or cost which the Trustee determines will be or has been (directly) suffered for or on account of income tax, value added tax or similar tax obligation by the Trustee in respect of this trust.

9.4. Payment of amounts due

All amounts payable pursuant to Clauses 9.1 (*Normal Remuneration*) shall be payable by the Issuer against presentation of invoices by the Trustee on the date specified in a demand by the Trustee.

9.5. Discharges:

Unless otherwise specifically stated in any discharge of this Trust Deed, the provisions of Clause 9.1 (*Normal Remuneration*) shall continue in full force and effect notwithstanding such discharge;

10. TERMS OF APPOINTMENT OF TRUSTEE

10.1. Trustee's Right

10.1.1. Rights under 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 Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the Trust Act 1882.

10.1.2. 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. For discharging its duty under this Trust Deed in reliance of the opinion of the aforementioned expert, Trustee shall not be responsible for any Liability occasioned by so acting.

10.1.3. Certificate of directors or Authorized Signatories

The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorized Signatories or other person duly authorized on their behalf as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do.

10.1.4. Resolution or direction of Bondholders

The Trustee shall not be responsible for acting in good faith 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


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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.

10.1.5. *No obligation to monitor*

The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations.

10.1.6. *Bonds held by the Issuer*

In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates.

10.1.7. *Events of Default*

In case of any Event of Default, the Trustee shall serve a notice within seven (07) Business Days of occurring such event to the Bondholders, the exchanges upon which the securities will be traded and the Commission. If the trustee fails to negotiate within fifteen (15) Business Days of the occurrence of Event of Default, the Trustee shall get the right to take legal action against the Issuer for recovery of the outstanding amount of the Bond as per existing laws.

10.1.8. *Right to deduct or withhold for taxes*

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 of whatsoever nature and when so ever 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 other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any Liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other Liability of the Trustee (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts of this Trust Deed.



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Chief Executive Officer



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Managing Director
MK FOOTWEAR PL

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10.1.9. *No responsibility to investigate*

The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:

- a) the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any or all of the Bond Documents;
- b) any recitals, statements, warranties, representations or covenants of any party to any of the Bond Documents;
- c) its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
- d) the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents.

10.1.10. *Error of judgment*

The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate matters.

10.1.11. *No responsibility for loss*

The Trustee shall not in any circumstances, except under any applicable laws or regulations:

- a) be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
- b) be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, willful default or fraud.

10.1.12. *Enforcement of Obligations of the Issuer*

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions 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.

10.1.13. *Force Majeure*

The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document 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 strip or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.

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10.1.14. *Immunities*

The Trustee's immunities and protections from liabilities and its right to indemnification in connection with the performance of its duties under this Trust Deed shall except in case of their own fault, extend to the Trustee's officers, directors, employees and consultants. 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, but in any event will be subject to any gross negligence, willful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under this Trust Deed.

The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, the Issuer will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

10.1.15. *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 on matters arising in connection with the Trust of this Trust Deed and also its properly incurred charges in addition to disbursements for all other work and business done and all time spent by him on matters arising in connection with this Trust Deed.

10.1.16. *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.

10.1.17. *Trustee may enter into financial transaction with the Issuer*

No Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transaction in the ordinary course of business with the Issuer or any subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, or from accepting the trusteeship of any other debenture stock, debenture or securities of the Issuer or any subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty retain the same for its or his own benefit.

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10.1.18. *Error of judgment*

The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate matters.

10.1.19. *Third Party Claims*

If any action (a "Third Party Claim") is brought against the Trustee in respect of which an indemnity may be sought from the Issuer, the Trustee shall promptly notify the Issuer in writing and deliver a copy of the claim and legal pleadings with respect to the Third Party Claim. Trustee shall not be responsible to the Third Party.

10.1.20. *Trustee's Own Funds*

Nothing herein shall be construed as to require the Trustee to advance its own funds or incur such risks in the performance of its duties hereunder.

10.2. **Trustee's requirements regarding Paying Agents etc.**

10.2.1. At any time after an Event of Default have occurred and for so long as Event of Default is continuing and has not been waived or, in the opinion of the Trustee, has not been remedied or the Bonds shall otherwise have become due and repayable or the Trustee shall have received any money which it proposes to pay under Condition XIII-B (*Application of Moneys*) to the relevant Bondholders, the Trustee may:

10.2.1.1. By notice in writing to the Issuer, the Agents and the Registrar, require the Paying Agent and the other Agents or any of them:

- a) to act thereafter as Agents of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of this Trust Deed *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Trustee's Liability under any provisions thereof for the indemnification, remuneration and payment of proper out-of-pocket expenses of the Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of this Trust Deed relating to the Bonds and available for such purpose) and thereafter to hold all Bonds and all sums, documents and records held by them in respect of Bonds on behalf of the Trustee; or
- b) to deliver up all Bonds and all sums, documents and records held by them in respect of Bonds to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and
- c) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Paying Agent and with effect from the issue of any such notice and until such notice is withdrawn shall cease to have effect.

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10.3. Trustee's Duty and Obligation

10.3.1. *Duties and Obligation under Applicable Law*

Notwithstanding anything contained in this Trust Deed, the Trustee shall have all such duties and obligations as set out in the applicable laws including but is not limited to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the Trust Act 1882.

10.3.2. *Administration of Trust*

The Trustee shall issue, manage and administer the Bonds in accordance with the terms of this Trust Deed and the Conditions and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith and to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof.

10.3.3. *Act for the Bondholders*

Save the provision of all applicable laws of Bangladesh, the Trustee shall act on behalf and for the exclusive interests of the Bondholders and be liable to sue and to be sued on behalf of them.

10.3.4. *Monitoring*

The Trustee shall ensure that the Issuer is observing the applicable laws including, but not limited to, the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions and the other Schedules which are expressed to be binding on it and to perform and observe the same.

10.3.5. *Maintaining Account*

The Trustee shall open and maintain such accounts as it deems necessary for discharging the functions of Trustee in pursuant to the provision of this Trust Deed, the Conditions, the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

10.3.6. *Holding Trust Property*

The Trustee shall hold and keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time.

10.3.7. *Grievances of the Bondholders*

Upon receipt of a complaint from the Bondholders, the Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and it shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

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10.3.8. *Call for Meeting of the Bondholders*

On the recommendation of the Bondholders in accordance with the provision of the Trust Deed and Conditions, the Trustee shall call any meetings of the Bondholders and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;

10.3.9. *Compliance with the Instruction of the Bondholders*

Upon instruction by the Bondholders in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;

10.3.10. *Duty to Inspect*

It is the duty of the Trustee to inspect or call for books of accounts, records, register of the Issuers and the Trust property, if required, to the extent necessary for discharging its obligation.

10.3.11. *Collection of Risk Premium*

The Trustee may, in case a downgrade of credit rating (i.e. below the rating trigger) of the issue under surveillance rating, ensure the collection of risk premium from the Issuer, if required and to the extent necessary for discharging its obligation, to secure the claims of the Bondholders from the higher risk level of the Issuer in accordance with this Trust Deed.

10.3.12. *Duty to Ensure the Interest of the Bondholders*

The Trustee shall have power to insert/ exercise any additional terms and conditions, which is not inconsistent with applicable law, for the performance of the obligations under this Trust Deed for the protection of the interest of the Bondholders;

10.3.13. *Trustee's determination*

The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders.

10.3.14. *Determination of questions*

The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and/or the Conditions and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders.

10.3.15. *Trustee's discretion*

The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that

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may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.

10.3.16. *Trustee's consent*

Any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.

10.3.17. *Application of proceeds*

The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it.

10.3.18. *Agents*

The Trustee may with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided the Trustee shall have exercised reasonable care in the selection of any such agent, the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

10.3.19. *Delegation*

The Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate.

10.3.20. *Custodians and nominees*

The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall

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have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any Liability by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

10.3.21. *Confidential information*

The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with this Trust Deed.

10.3.22. *General Duty*

10.3.22.1. If delay in payment of any dues by the Issuer, which is not approved by the trustee shall be treated as final default, in such a case the Trustee shall enforce its rights over the credit enhancement or collateral securities and other securities or guarantees of the Issuer observing due legal process and thereafter the trustee shall dispose-off the same to pay the proceeds proportionately to the investors after deduction of costs related thereto;

10.3.22.2. In case the delay is approved by the Trustee for a certain period upon any reasonable ground, the Trustee shall ensure repayment of the dues within the approved delay period along with interest for the delay period at a rate of 2% (two percent) per annum above the usual rate of return of the debt instrument;

10.3.22.3. The trustee shall submit an annual compliance report to the Commission regarding the activities of the issuer including repayment of dues to the investors;

10.3.22.4. The trustee shall take adequate steps for redress of grievances of the investors within one month of the date of receipt of the complaints and shall keep the Commission informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

10.4. **Trustee liable for gross negligence**

None of the provisions of this Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of this Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any Liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, will-full default or fraud of which it may be guilty in relation to its duties under this Trust Deed.

10.5. **Indemnity**

The Issuer shall, on demand by the Trustee, indemnify it and any Appointee (a) in respect of all liabilities and expenses incurred by it or by any Appointee or other person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions

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vested in it by this Trust Deed and (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to this Trust Deed.

11. THE BONDS

11.1. Form, Denomination and Title

11.1.1. Form and Denomination

The Issuer shall issue 550 (Five Hundred Fifty) number of Unsecured, Coupon bearing bond, having a denomination of BDT 1,000,000 (Ten Lac) each. It shall bear interest coupons ("Coupons") at the Coupon Rate for the tenure of the Bonds, as attached on issue. The Issuer shall be at liberty from time to time (but subject always to the provision of this Trust Deed and the Conditions) to issue further Bonds on such terms and conditions, as the Issuer may deem fit and proper.

11.1.2. Title

The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss) and no person will be liable for so treating the holder.

11.2. Status of the Bonds

The issue is an unsecured, redeemable coupon bearing Bond and hence no charge on assets is to be created.

11.3. Certificates

In compliance with Rule 4(1)(d) of the Bangladesh Securities Exchange (Debt Securities) Rule 2021, the Bonds will be issued in dematerialized form. On the date on which any Bonds are issued, the Issuer may issue Letter of Allotment to the subscribers of the Bond.

11.4. Entitlement to treat Registered Holder as owner

The Register shall be *prima facie* evidence of any matter in relation to the rights under the Bonds. The Trustee may deem and treat the holder of a Bond whose name appears in the Register as the holder of all rights and interests in 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 rights or interest 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 shall not be affected by any notice to the contrary. All payments made to any such registered holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the Liability for the moneys payable upon the Bonds.

11.5. Holder of Bond Assumed to be Coupon holder

Wherever in this Trust Deed the Trustee is required or entitled to exercise a power, trust, authority or discretion under this Trust Deed, except as ordered by a court of competent jurisdiction or as required by applicable law, Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Bondholder is the holder of all Coupons appertaining to each Bond of which it is the holder.



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11.6. No Notice to Coupon holders:

Neither the Trustee nor the Issuer shall be required to give any notice to the Coupon holders for any purpose under this Trust Deed and the Coupon holders shall be deemed for all purposes to have notice of the contents of any notice given to the Bondholders.

11.7. Mode of Operation

11.7.1. Application Procedure

The Bond shall be offered through Private Offer to the eligible investors. Issuer and/or Arranger shall ensure that the prospective Investors shall have been provided with a copy of the Information Memorandum either in hard copy or soft copy and an invitation letter to subscribe. Based on the Information Memorandum and subsequent clarification of queries (if any), the Investors shall submit a letter of commitment to the Arranger and/or Issuer with the amount of intended subscription specified.

11.7.2. Allotment;

Issuer shall issue Allotment Letter(s) in the name of all allottees of the Bonds in electronic form with digital signatures and credit the allotted Bonds to the respective BO accounts on the basis of allotment data via their CDBL VeDAS Terminal upon receipt of the final allotment list. Each of 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 for all purposes.

11.7.3. Payment of net issue proceeds:

The Investors shall pay the purchase price of the Bonds set forth in the Subscription Agreement or offer documents to the Issuer in Bangladesh Taka for same day value to the account prescribed in the same. Statement of subscription received against issuance of securities under these rules along with bank statement(s) shall be submitted to the Commission within 10 (ten) days of the closing of subscription list.

11.7.4. Refund;

If any payment for subscription of Bonds have been made, but not allotted for whatever reason, the subscription amount to be refunded in accordance with applicable law and practice.


11.7.5. Transfer


The Bonds shall be in dematerialized form and shall not be tradable in the trading platforms of the stock exchanges but may be traded in the Alternative Trading Board if it is required by BSEC as per Consent Letter. However, transfer of Bonds may be allowed by way of,

- a) gift among the family members i.e., spouse, son, daughter, father, mother, brother and sister;
- b) transfer of Bonds for execution of a court order;
- c) acquisition of Bonds in consideration of other than cash; and
- d) transfer of Bonds in case of confiscation/loan default.

11.7.6. Listing with the Sstock Exchange(s)

The bond shall not be listed with the Stock Exchanges(s). However, the bond may be listed in the Alternative Trading Board only if it is required by BSEC as per Consent Letter.


Shibly Amran
Chief Executive Officer
Community Bank Investment Limited


Noor Mohammed
Managing Director
MK FOOTWEAR PLC

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11.7.7. *Redemption upon payment*

Unless the rights under Condition VIII (Redemption of Bond) of the Schedule I (*Terms and Conditions of the Bonds*) have been exercised and redemption period is extended for further term(s), the issued Bonds will be redeemed at their Face Value, (the "**Redemption Amount**") and any accrued and unpaid Coupon.

11.7.8. *Coupon payment*

The Coupon in respect of the Outstanding Bonds shall be payable in semi annual basis calculated from Subscription Date (each, a "**Coupon Payment Date**") for the Coupon Period. Each period beginning on (and including) the Subscription Date or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date is herein called "**Coupon Period**". The Issuer shall make Coupon Payment in accordance with the obligation as set out in Condition X (Payments) of Schedule I (*Terms and Conditions of the Bonds*) at Coupon Rate to the bondholders.

Notwithstanding anything contained herein, the subscription period for the Bonds and the terms of the subscription shall be as per conditions of the consent letter issued by BSEC.

12. RIGHTS, DUTIES AND OBLIGATIONS OF THE ISSUER

12.1. **Covenant to Repay**

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or Converted or any principal on the Bonds or any of them becomes due to be repaid or converted, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency is immediately available freely transferable funds for redemption on Redemption Date and shall (subject to the provisions of the Conditions) until all such payment (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, provided that:

12.1.1. every payment of Redemption Amount in respect of the Bonds or any of them made to or to the account of the Paying Agent 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;

12.1.2. if any payment of Redemption Amount in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders 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; and

12.1.3. in any case where payment of the whole or any part of the Redemption Amount due in respect of any Bond is improperly withheld or refused, incremental charge shall accrue for the Bond on the whole or such part of such Redemption Amount from the date of such withholding or refusal until the date either on which such Redemption Amount due is paid to the Bondholders or, if earlier, the seventh day

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after which notice is given to the Bondholders that the full amount payable in respect of the said Redemption Amount is available for collection by the relevant Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the other covenants including Clause 12.3 (*Other Covenants by the Issuer*) on trust for the Bondholders.

12.2. Following an Event of Default

12.2.1. At any time after any Default or Event of Default has occurred, the Trustee may 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.

12.2.2. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions (including, without limitation, Clause 12.3 (*Other Covenants by the Issuer*), and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed and the Conditions, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.

12.2.3. The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions 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.

12.3. Other Covenants by the Issuer

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

12.3.1. Comply with Bond Documents

Comply with, perform and observe all those provision of this Trust Deed, the Agency Agreement, the Conditions and the other schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

12.3.2. Comply with Applicable Laws

Comply with, perform and observe all those provisions of the applicable laws including, but not limited to, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, terms of consent of Bangladesh Securities and Exchange Commission (BSEC). 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 laws and

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will be deemed to have notice of all of the provisions of the applicable laws, as applicable to them.

12.3.3. *Execution of further documents:*

So far as permitted by applicable law, do all such further acts and things as may be necessary in the reasonable opinion of the Trustee to give effect to the provisions of this Trust Deed;

12.3.4. *Notices to the Bondholders:*

Send or procure to be sent to the Trustee not less than three (3) 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.

12.3.5. *Evidence of Due Approval by the Board of Directors and Authorized Signatories:*

Upon reasonable notice by the Trustee to deliver to the Trustee a copy of the resolution of the Board of Directors of the Settlor authorizing issuance of the Bond, the declaration of the Trust, a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same.

12.3.6. *Payments:*

Moneys payable by it to the Trustee under Clause 7.1 (*Expenses*) of this Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law, and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

12.3.7. *Payment of Risk Premium*

Pay any Risk Premium payable by it to the Trustee in case of a downgrade of credit rating (i.e., below the rating trigger) of the issue under surveillance rating as per Clause 10.3.11 and in accordance with this Trust Deed.

12.3.8. It is hereby covenanted by the Issuer that the Bonds will be issued in registered and dematerialized form and the Issuer shall apply to the Alternative Trading Board for listing only if required by BSEC via Consent Letter preferably from the date of availing the facilities under respective regulations in this regard.

13. RIGHTS, DUTIES AND OBLIGATIONS OF THE BONDHOLDERS

- 13.1. Each of the Bondholders has the right to demand any information relating to the issuance of Bond and/or information relating to the Issuer, as set forth in this Trust Deed or in the Conditions, from the Issuer.
- 13.2. Each of the Bondholders has the right to receive Coupon Payment in respect of the Bonds on Coupon Payment Date and in accordance with the formula as set out in the Condition VII (Coupon) of the Schedule I (*Terms and Conditions of the Bonds.*)
- 13.3. Each of the Bondholders has the right to receive any other payment including incremental charge, whenever such payment becomes due and payable by the Issuer in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (*Terms and Conditions of the Bonds.*)

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- 13.4. Each of Bondholders has the right to attend meeting of the Bondholders and vote therein in accordance with the provisions of the Schedule II (*Meeting of Bondholders*).
- 13.5. The rights of the Bondholder under the Subscription Agreement are several and any debt or other obligation arising under that agreement at any time from the Issuer to any other Bondholder shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights arising out of this Agreement independently of any other Bondholder and it shall not be necessary for any other Bondholder to be joined as an additional party in proceedings for such purpose.
- 13.6. Notwithstanding anything mentioned in this Trust Deed or the Conditions, the Bondholders shall not be entitled to any of the rights, benefits and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their authorization.

14. ACCOUNTS OF THE TRUST

The Trustee shall, maintain books and records (with respect to the Trust) in good order. The Trustee shall ensure that the representatives, agents and/or advisers of the Bondholders shall be allowed, subject to confidentiality obligations under applicable law, to have access to the assets, books, records and premises (including access to view any physical assets which are the subject of any security interest) and to inspect the same during normal business hours upon reasonable notice.

15. MEETING OF BONDHOLDERS

Meeting of Bondholders and issues incidental thereto including, but without limitation, power, scope, quorum of the meeting and voting shall be governed in accordance with Schedule II (*Meetings of Bondholders*).

16. COMMENCEMENT AND TERMINATION OF THE TRUST

16.1. Commencement of the Trust

The Trust hereby created shall be deemed to be established from the date of this Trust Deed.

16.2. Termination of the Trust

16.2.1. The Trust shall be extinguished when all liabilities are repaid in full in accordance with the Conditions and this Trust Deed.

16.2.2. Notwithstanding anything to the contrary in this Trust Deed or the other Bond Documents, the Settlor may revoke the Trust with the express consent of all Beneficiaries of the Trust and with the permission of BSEC.

17. MISCELLANEOUS

17.1. Waiver

The Trustee may, without the consent or sanction of the Bondholders and without prejudice to its rights in respect of any subsequent breach or Event of Default, from time to time and at any time but only if and in so far as in its opinion the interests of the Bondholders then outstanding shall not be materially prejudiced thereby waive or authorize any breach or proposed breach by the Issuer of any of the covenants or

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provisions contained in the Conditions or any Bond Document to which it is a party or determine that any event which would otherwise constitute an Event of Default shall not be treated as such for the purposes of this Trust Deed provided that the Trustee shall not exercise any powers conferred on it in contravention of any express direction given by resolution or of a request in writing made by the holders of not less than $66\frac{2}{3}$ percent of the Outstanding Bonds in accordance with Schedule II (*Meetings of Bondholders*) but no such direction or request shall affect any waiver, authorization or determination previously given or made or so as to authorize or waive any such proposed breach or breach relating to any basic terms modification. Any such waiver, authorization or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Bondholders and the other Issuer, unless the Bond Trustee agrees otherwise, shall be notified by the Issuer to the Bondholders as soon as practicable thereafter.

17.2. Modifications

The Trustee may, with prior approval of the Issuer, BSEC, where applicable, 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 the Bonds or the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement or any agreement supplemental to the Agency Agreement which, in the opinion of the Trustee, may be proper to make provided that such modification would not be materially prejudicial to the interests of the Bondholders or (b) any modification to the Bonds or the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement or any agreement supplemental to the Agency Agreement which in the Trustee's opinion, is of a formal, minor or technical nature or made to correct an error, defect or inconsistency, to conform the terms between any provision in the Conditions, the Trust Deed or mandatory provisions of law. Any such modification shall be binding on the Bondholders and the Trustee shall cause such modification to be notified to the Bondholders as soon as practicable thereafter, provided however that the Trustee shall not exercise any powers conferred upon it unless, having given not less than 10 Business Days' notice of such modification to the Bondholders in accordance with the Conditions, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by a Resolution or of a request in writing made by the holders of not less than $66\frac{2}{3}$ percent of the Outstanding of Bonds against making such modification. In such circumstances, the Trustee shall have no Liability to any Bondholder or any other person for agreeing to such modification. The Trustee may, without the consent of the Bondholders, execute any documentation and do any such other acts or things as it determines necessary in its reasonable discretion, to effect any modifications to these Conditions and the Trust Deed to comply with any modifications made to the Trust Deed from time to time.

17.3. Indemnification

The Issuer shall fully indemnify the Trustee from and against any expense, loss, damage or liability (as to the amount of which the certificate of the Trustee shall, save for manifest error, be conclusive and binding upon the parties hereto) which it may incur as a consequence of performing its duty under this Trust Deed or otherwise in connection with the Bond. Without prejudice to its generality, the foregoing indemnity shall extend to any interests, fees or other sums whatsoever paid or payable on account of any moneys borrowed in order to fund any unpaid amount and to any loss (including loss of profit), premium, penalty or expense which may be incurred in liquidating or employing deposits

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from third parties acquired to make, maintain or fund the Bonds (or any part thereof) or any other amount due or to become due under Agency Agreement, Trust Deed etc.

17.4. Notices

17.4.1. *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:

Issuer: if to the Issuer, to:

Name: F. M. Hasan Mahfuz Russell, Director & Chief Executive Officer

Address: Nayonpur Bazar, Chalkpara, Medical more, Mawna - Dulivita Rd,
Mawna Union 1740, Gazipur.

Phone: 880-02-9836386

Mobile: 01731012411

Fax: 880-02-9836386

Trustee: if to the Trustee, to:

Name: Shibly Amran, Chief Executive Officer

Address: Road#144, Plot #2, Police Plaza Concord (Level 12, Tower 2) Dhaka,
1212, Bangladesh

Phone: 880 25504 5226

Mobile: 01755-652525

17.4.2. *Effectiveness*

Unless there is evidence that it was received earlier, a notice marked for the attention of the person or persons specified in accordance with Clause 22.3.1 (*Address for notices*) is deemed given:

- a) if delivered personally, when left at the relevant address referred to in Clause 22.3.1 (*Address for notices*);
- b) if sent by post, five days after posting it; and
- c) if sent by fax, when confirmation of its transmission has been recorded by the sender's fax machine

17.5. Severability

In case any provision in or obligation under this Trust Deed shall be invalid, illegal or unenforceable under Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021 or any other law for the time being in force 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.

17.6. Counterparts

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



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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.

Parties

Signature

For Settlor

MK Footwear PLC

Witness:

Name :
Signature :
Address :

For Trustee

Community Bank Investment Ltd

Witness:

Name :
Signature :
Address :



Noor Mohammed
Managing Director
MK FOOTWEAR PLC

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SCHEDULE I

TERMS AND CONDITIONS OF THE BONDS

ISSUANCE OF [UP TO] 550 NUMBERS OF UNSECURED, COUPON BEARING BOND WITH DENOMINATION OF BDT 1,000,000 EACH OF MK FOOTWEAR PLC.

The Bonds

The Bonds are constituted by the Trust Deed (*as defined below*). The terms and conditions of the Bonds are set forth under the caption "Terms and Conditions of the Bonds".

Terms and Conditions of the Bonds

The following, subject to alteration and except for the paragraphs in italics, are the terms and conditions of the Bonds (*the "Conditions"*).

The issue of [up to] 550 (Five Hundred Fifty) numbers of Unsecured, Coupon bearing bond at a subscription price [up to] BDT 550,000,000.00 (Taka Five Hundred Fifty Million) (**"Bonds"**, which expression shall in these Conditions, unless the context otherwise requires) of MK Footwear PLC (**"Issuer"**) was authorized by the resolution of the Issuer's Board of Directors passed on 21st November 2023. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the **"Trust Deed"**) made between the Issuer and the "Trustee" as trustee for holders of the Bonds (**"Bondholders"**).

The Issuer has entered into an Agency Agreement (as amended or supplemented from time to time, the **"Agency Agreement"**) with an institution, as calculation agent and paying agent relating to the Bonds. The statements in these terms and conditions of the Bonds (**"Conditions"**) include summaries of, and are subject to, the detailed provisions of the Trust Deed. Unless otherwise defined in these Conditions, terms used in these Conditions have the meaning specified in the Trust Deed.

Copies of the Trust Deed and Agency Agreement are available for inspection during normal business hours by the Bondholders at the registered office of the Trustee. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and Agency Agreement applicable to them.

I. DEFINITION AND INTERPRETATION

A. Definition

Unless the context otherwise requires, in this Terms and Conditions of the Bonds following expressions shall have the meanings specified hereunder.

"Accounting Principles"

means international accounting standards promulgated by the International Accounting Standards Board, together with its pronouncements thereon from time to time, as applied on a consistent basis.

"Agency Agreement"

means the agreement executed amongst the Issuer, as principal, the Agent, the Registrar, and the Trustee for the purpose of performing the obligations imposed under the Conditions and all schedules attached



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hereto as originally executed and as varied, amended, supplemented or modified from time to time;

"Agent"

means the Agent appointed under Agency Agreement.

"Affiliate"

means, in relation to any Person, any entity directly or indirectly controlling, controlled by or under common control with, such Person (for purposes of this definition, "**control**" means the power to direct the management or policies of an entity, directly or indirectly, whether through the ownership of securities, by contract or otherwise (provided that the direct or indirect ownership of 25 per cent. or more of the share capital of an entity is deemed to constitute control of that entity) and "**controlling**" and "**controlled**" have corresponding meanings).

"Applicable Coupon Rate"

means the Reference Rate and Coupon Margin on the relevant Coupon Rate Determination Date for such Coupon Period. However, Applicable Coupon Rate for any Coupon Period shall be within the Coupon Range.

"Bangladesh"

means the People's Republic of Bangladesh.

"Bond Documents"

means the Trust Deed, the Conditions, the Agency Agreement and the Subscription Agreement and any other agreement, as executed and/or modified from time to time in compliance with the applicable law (each a "**Bond Document**").

"Bondholder"

means a person in whose name a Bond (or, as the case may be, such Bond) is registered in the Register;

"Bonds"

means the debt securities, in form of Non-Convertible, Fully Redeemable & Unsecured Bond feature, in compliance with the provision of the Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021 and the Conditions.

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"Business Day"	means any day which is a day on which banks are open for banking transaction in Bangladesh.
"Calculation Agent"	means the Calculation Agent appointed under the Agency Agreement.
"Conditions"	means these terms and conditions for issuance of Bonds, as the same may from time to time be modified in accordance with the Trust Deed, and any reference in the Trust Deed to a particular numbered Condition shall be construed accordingly.
"Coupon Range"	means 9.00% to 11.50% per annum at all times
"Coupon Rate"	means the aggregate of the Reference Rate and Coupon Margin on the relevant Coupon Rate Determination Date for such Coupon Period.
"Coupon Rate Determination Date" or	
"Coupon Fixing Day"	means 5 Business Days prior to a Coupon Period. However, first Coupon Rate Determination Date shall be immediately preceding Business Day of the Issue Date or Subscription Date;
"Coupon Margin"	is 2.00 percent per annum
"Subscription Date"	shall mean the issue date on which Bonds have been issued in favour of the subscriber(s) upon satisfaction of all conditions under the Bond Documents.
"CDBL Bye"	Laws means the Bye Laws of Central Depository Bangladesh Limited as amended from time to time.
"CDBL Register"	means the legal ownership register maintained by CDBL relating to Securities recorded in the name of CDBL in the depository part of the company register;
"Redemption Period"	means the period or tenure beginning on (and including) 2 and half anniversary of the Subscription and ending on Maturity Date.
"Coupon"	means interest coupon appertaining to a Bond.

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"Coupon Payment"	shall have the meaning as ascribed in Condition X (A) (<i>Coupon Payment</i>) of the Conditions.
"Coupon Payment Date"	shall have the meaning as ascribed in Condition VII (C) (<i>Coupon Payment Date</i>) of the Conditions.
"Coupon Period"	means the period or tenure beginning on (and including) the Subscription Date or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date.
"Default Coupon Rate"	shall have the meaning as ascribed in Condition X(G) (<i>Default Coupon and Delay In Payment</i>) of this Conditions.
"Event of Default" or "Default"	means each of the events and circumstance set out in Condition XII (<i>Event of Default</i>).
"Exchange"	means Dhaka Stock Exchange Limited and/or Chattogram Stock Exchange PLC.
"Face Value"	means the nominal value of the Bond stated by the Issuer which shall be BDT 1,000,000.00 (Ten Lac) only.
"Fiscal Year"	means the accounting year of the Issuer.
"Issue Price"	shall mean the Face Value of a Bond, which shall be payable by the subscriber to subscribe the Bonds in accordance with the Subscription Agreement.
"Issuer"	means MK Footwear PLC , a public limited company incorporated under the Companies Act, 1994 and The company is engaged in the production of all types of quality leather/synthetic footwear and export 100% of its product to international market and having its Registered office at Nayonpur Bazar, Chalkpara, Medical more, Mawna-Dulivita Rd, Mawna Union 1740, Gazipur, Bangladesh.
"Maturity Date"	means the last date of redemption of Bonds in pursuant to the provision of Condition VIII (<i>Redemption of Bond</i>).



Noor Mohammed
Managing Director
MK FOOTWEAR PLC

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"Meeting"	means a meeting of Bondholders (whether originally convened or resumed following an adjournment).
"Outstanding Bonds"	means the Bonds that have not been redeemed or Converted in pursuant to the provision of Condition VIII (<i>Redemption of Bonds</i>) and held by the Person, whose name is registered as Bondholder.
"Ordinary Shares"	means ordinary shares of the Issuer.
"Paying Agent"	means the Paying Agent appointed under the Agency Agreement.
"Person"	means any individual, corporation, partnership, company with limited liability, joint venture, association, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.
"Private Offer"	means an offer of securities by the Issuer to any local or foreign person in a way other than public offer under the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.
"Public Offer"	means an offer of securities by the Issuer to the general public including any local or foreign person under the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.
"Redemption Date"	means the date on which a Bond is redeemable in accordance with the Condition VIII (Redemption of Bond).
"Registrar"	means the Person, who has been appointed as Registrar of the Bonds under the Agency Agreement or performing the role of Registrar under applicable laws.
"Register"	means the Register of Bondholders maintained in accordance with Condition IV(B) of these Conditions.
"Subscription Agreement"	means the Agreement executed between the Issuer and the subscribers of Bonds for the purpose of subscription of the Bonds and all schedules attached thereto as originally


Shibly Amran
Chief Executive Officer
Community Bank Investment Limited


Noor Mohammed
Managing Director
MK FOOTWEAR PLC

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executed and as varied, amended, supplemented or modified from time to time;

"Taka" or "BDT"

means the lawful currency of Bangladesh

"Tax"

means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Trust Deed"

means the deed executed between the Issuer, as settlor, and the Trustee for the benefit of the Bondholders, as beneficiaries, for the purpose of issuance, administration and management of the Bonds.

"Trustee"

means the entity responsible to perform the role of trustee under the terms and conditions of the Trust Deed.

B. Interpretation

In this Terms and Conditions of the Bonds, unless otherwise expressly provided, any reference to:

- (i) clauses, paragraphs, sub-paragraphs, recitals or schedules are, unless otherwise specified, references to clauses, paragraphs, sub-paragraphs and recitals of, and schedules to, this Conditions;
- (ii) references in this Agreement to the Parties shall include their respective successors and permitted assigns;
- (iii) the masculine gender shall include the feminine and neuter and the singular number shall include the plural and *vice versa*;
- (iv) the word "including" means "including, but not limited to" or "including, without limitation" and the word "includes" means "includes, but not limited to" or "includes, without limitation";
- (v) any document (including this Condition), are references to that document as amended, consolidated, supplemented, novated or replaced from time to time;
- (vi) any statute or other legislative provision shall be read to include any statutory or legislative modification or re-enactment thereof, or any substitution thereof; and
- (vii) clause and other headings contained in this Agreement are for ease of reference only and shall not be taken into account in the construction or interpretation of any provision to which they refer.

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- (viii) the Schedules shall have the same force and effect as if expressly set in the body of this Conditions and any reference to this Conditions shall include the Schedules.

II. STATUS

The indebtedness of the Issuer evidenced by these Conditions, including the principal and premium, if any, and interest shall not be subordinate and junior in right of payment in the manner provided in the Trust Deed to its obligations to its secured creditors and will rank, in the event of the winding up of the Issuer, at least *pari passu* in right of payment with all other Indebtedness, present and future, of the Issuer. In the event of any insolvency, receivership, conservatorship, reorganisation, readjustment of debt or similar proceedings or any liquidation or winding up of, or relating to, the Issuer, whether voluntary or involuntary, all such obligations shall be entitled to be paid in full before any payment shall be made on account of the principal of, or premium, if any, or interest, on the Bonds. In the event of any proceedings, after payment in full of all sums owing on such prior obligations, the holders of the Bonds, together with any obligations of the Issuer ranking on a parity with the Bonds, shall be entitled to be paid from the remaining assets of the Issuer the unpaid principal thereof and any unpaid premium, if any, and interest before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any obligations of the Issuer ranking junior to the Bonds. Nothings herein shall impair the obligations of the Issuer, which is absolute and unconditional, to pay the principal of and any premium, if any, and interest on the Bond according to these Conditions.

For the purposes of this Condition, "Indebtedness" shall include all liabilities, whether actual or contingent.

III. FORM AND DENOMINATION

- A. The Issuer shall issue 550 (Five Hundred fifty) number of Unsecured, Coupon bearing bond in a denomination of BDT 1,000,000.00 (One Million) only for a consideration of BDT 550,000,000.00 (Five Hundred Fifty Million) only, more particularly described in Annexure A (*Features of Bonds*).
- B. Full 550 (Five Hundred Fifty) Bonds shall be offered under Private Offer.
- C. The Issuer shall apply to Central Depository Bangladesh Limited (CDBL) for dematerialization of the allotted Bonds in order to enable the Bondholders to hold and transfer the Bonds in dematerialized form.
- D. The Issuer shall apply for listing the Bonds to the Alternative Trading Board in accordance with respective listing regulations of the Exchange(s) only if required by BSEC via Consent Letter.

IV. CERTIFICATE AND REGISTER

A. Certificate

In compliance with Rule 4(1)(d) of the Bangladesh Securities Exchange (Debt Securities) Rule 2021, the Bonds will be issued in dematerialized form. On the date on which any Bonds are issued, the Issuer may issuer Letter of Allotment to the subscribers of the Bond.

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B. Register

Unless otherwise required by BSEC and Bangladesh Securities Exchange (Debt Securities) Rule 2021 in relation to dematerialized form of Bond, the Registrar will maintain the authoritative Register in respect of the Bonds and the Bondholders, in accordance with the provisions of the Trust Deed, these Conditions and the Agency Agreement. The Register will have a depository part, and all Bonds deposited in the depository part of the Register shall be kept in dematerialized form, and be recorded in the name of CDBL. All Bonds that have been deposited in the depository part and in dematerialized form shall be recorded in CDBL Registrar.

In these Conditions, the "holder" of a Bond means the person in whose name such Bond for the time being registered in the CDBL Register (or, in the case of a joint holding, the first named thereof) and, "Bondholder" shall be construed accordingly. The Register shall be *prima facie* evidence of any matter in relation to the ownership of the Bonds.

V. TITLE AND TRANSFERS

A. Title

A registered Bondholder shall (*except as otherwise required by law*) be treated as the absolute owner of such Bond for all purposes and no person shall be liable for so treating such Bondholder.

B. Transfer of Bond

The Bonds shall be in dematerialized form and shall not be tradable in the trading platforms of the stock exchanges but may be traded in the Alternative Trading Board as per the requirement of the BSEC. However, transfer of Bonds may be allowed by way of,

- a) gift among the family members i.e., spouse, son, daughter, father, mother, brother and sister;
- b) transfer of Bonds for execution of a court order;
- c) acquisition of Bonds in consideration of other than cash; and
- d) transfer of Bonds in case of confiscation/loan default.

C. Settlement of Transfer

Upon transfer of Bond, Settlement will take place in accordance with applicable regulation(s) of Exchange(s), CDBL Bye Laws and other applicable legal provisions as in place. For the purpose of this Condition, "Settlement" means the process under which a trading contract is completed with the final unconditional transfer of Bonds from the transferor to the transferee and the final settlement of price payments in their respect.

D. No charge

The transfer of a Bond will be effected without charge by the Issuer, but against such indemnity as the Issuer may require in respect of any Tax or other duty or governmental charges or Exchange charges of whatsoever nature, which may be levied or imposed in connection with such transfer, provided that the transferor or transferee shall bear and pay any stamp duty, registration or other similar Tax payable in Bangladesh or elsewhere in connection with the transfer of any Bond.

VI. COVENANTS

As long as any of the Bonds remains outstanding (and, for the avoidance of doubt, a Bond is outstanding as long as it has not been redeemed or converted in full notwithstanding that it has become due), the Issuer undertakes to the Trustee, the Bondholders and the Agent that it shall comply with the provisions of the Trust Deed and these Conditions.

A. Information Undertakings

1. *Financial Statements and Covenants*

- a) The Issuer shall supply to the Trustee, the Paying Agent and, at the request of any Bondholder, the Trustee shall distribute to such Bondholder:
 - i. as soon as the same become available, but in any event within 180 days after the end of each Fiscal Year, the complete audited consolidated financial statements of the Issuer for such Fiscal Year, stated in Taka; and
 - ii. as soon as the same become available, but in any event within 180 days after the end of each half of each Fiscal Year, the complete unaudited [but reviewed,] consolidated financial statements of the Issuer for such half Fiscal Year, stated in Taka.

2. *Compliance Certificate*

The Issuer shall supply to the Trustee, and the Paying Agent, with each set of financial statements delivered pursuant to Condition VI (A)(i) (*Financial statement and Covenants*), a Compliance Certificate certifying that (1) no Default or Event of Default has occurred or is continuing (or if a Default or Event of Default has occurred or is continuing, specifying its nature and the steps, if any, being taken to remedy it) and (2) the Issuer has complied with its obligations under these Conditions (or, if such is not the case, giving details of the circumstances of such non-compliance).

3. *Requirements as to financial statements*

- a) The Issuer shall ensure that each set of financial statements delivered pursuant to Condition VI (A)(i) (*Financial statement and Covenants*), gives (if audited) a true and fair view of, or (if unaudited) fairly represents, the financial condition and operations of the Issuer as at the date to which, and for the period in relation to which, those financial statements were drawn up.
- b) The Issuer shall procure that each set of financial statements delivered pursuant to Condition VI (A)(i) (*Financial statement and Covenants*), is prepared in accordance with the Accounting Principles.

4. *Notification of default*

The Issuer shall notify the Trustee of any Default or Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

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B. General Undertakings

1. Merger and Consolidation

The Issuer shall not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any Person, unless:

- a) the resulting, surviving or transferee Person (the “Successor Company”), if not the Issuer, will expressly assume, by supplemental trust deed, executed and delivered to the Trustee, all of the obligations of the Issuer under the Bonds and the Trust Deed;
- b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;
- c) the Issuer shall procure that the Credit Rating Information and Services Limited (CRISL), a credit rating agency of Bangladesh, shall reassess the credit rating assigned to the Bonds after the assumption by the successor Company of the obligations of the Issuer under the Bonds and the Trust Deed, and such credit rating shall not have been downgraded as a result of such consolidation, merger, conveyance, transfer or lease;
- d) the Issuer shall have delivered to the Trustee (i) a certificate signed by two of its directors or duly authorized senior officers on its behalf and (ii) an opinion of counsel acceptable to the Trustee, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental trust deed (if any) comply with the provisions of the Trust Deed and the Bonds. In such event, the successor Company will succeed to, and be substituted for, and may exercise any right and power of the Issuer under the Trust Deed and the Bonds, and the predecessor company, except in case of a lease of all or substantially all of its assets, shall be released from the obligation to pay for the Bonds.

2. Change of business

The Issuer shall procure that no material change is made to the general nature of the business of the Issuer from that carried on up until the final Subscription Date.

3. Maintenance of books and records and inspection

- a) The Issuer shall maintain books and records adequate to reflect truly and fairly the financial condition of the Issuer and the results of its operations in conformity with Accounting Principles.
- b) The Issuer shall ensure that the representatives, agents and/or advisers of the Trustee shall be allowed to have access to the books and records of the Issuer and to inspect the same during normal business hours upon reasonable notice.
- c) The Issuer shall ensure that its officers shall, upon reasonable notice, be available to discuss in good faith the affairs of the Issuer with the Trustee and/or its representatives, agents and/or advisers.



Noor Mohammed
Managing Director
MK FOOTWEAR PLC

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4. Information to the Bondholders

- a) The Issuer shall supply to the Trustee, and the Trustee shall distributed to the Bondholders, statements and documents, except those published in the website of the Issuer as per local regulations, as follows on requisition by the Bondholders (with a copy to the Trustee) if it does not contradict with the laws of Bangladesh:
 - i. all documents dispatched by the Issuer to its public shareholders;
 - ii. within 180 days after the end of each financial year, the audited consolidated annual accounts of the Issuer (together with a written confirmation from the auditors as to due compliance (or, if such is not the case, giving details of the circumstances of such non-compliance) by the Issuer of the covenants in respect of such financial year);

5. Arms' length transactions

The Issuer shall not enter into any transaction, agreement or arrangement with any of its Affiliates other than on an arm's length basis and on terms that are no less favorable to the Issuer or the relevant Affiliate than those that would have been obtained in a comparable arm's-length transaction by the Issuer or the relevant Affiliate with a Person that is not an Affiliate of the Issuer.

VII. COUPON

A. Coupon Rate

As long as any of the Bonds remains outstanding (and, for the avoidance of doubt, a Bond is outstanding as long as it has not been redeemed or converted in full notwithstanding that it has become due), the Bondholders shall be entitled to Coupon at Coupon Rate (As mentioned in Annexure A (Features of Bond) on the Outstanding Bonds.

B. Calculation of Coupon

The Bonds bear coupon from the Issue Date at the Applicable Coupon Rate on the principal amount of the Bonds. Coupon is payable in arrears on each Coupon Payment Date. The Trustee shall notify the Bondholders in accordance with Condition XV (Notices) the Applicable Coupon Rate for a Coupon Period on the Coupon Rate Determination Date. Coupon will be paid on actual number of days divided by 365, irrespective of a leap year.

C. Coupon Payment Date

The Coupon in respect of the Outstanding Bonds shall be payable in semi annual basis calculated from Subscription Date (each, a "**Coupon Payment Date**") for the Coupon Period, as provided in Condition X (*Payments*). Each period beginning on (and including) the Subscription Date or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date is herein called "**Coupon Period**".

D. Accrual of Interest

Each Bond will cease to bear Coupon from, and including, the due date for redemption thereof unless, upon due presentation of the relevant Bond, payment of principal is improperly withheld or refused, in which case such Bond shall continue to bear Coupon at the Default Coupon Rate specified in Condition X (G) (*Default*

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Coupon and Delay in Payment) hereto until whichever is the earlier of (1) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (2) the day, seven days after the Trustee has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

VIII. REDEMPTION OF BOND

100% of the Aggregate Face Value of the Bonds will be redeemed at their Issue Price, (the **“Redemption Amount”**) in 12 (twelve) Semi-annually installments starting from the end of Second year from the respective subscription date and any accrued and unpaid Coupon in the manner described in the Annexure B (*Redemption of Bonds*) hereto.

IX. PAYMENTS

A. Coupon Payment

Coupon in respect of the Bonds will be paid through the Paying Agent by way of transfer to the registered accounts of the Bondholders or by a BDT cheque drawn on a bank that processes payments in BDT, or through RTGS or BB cheque, or payment order and mailed to the registered address of the Bondholder, if it does not have a registered account. For the purposes of this Condition, a Bondholder’s **“registered account”** means the BDT account maintained by or on behalf of it with a schedule bank that processes payments in BDT, details of which appear on the Register at the close of business, and a Bondholder’s **“registered address”** means its address appearing on the Register at that time.

B. Payments of Redemption Amount

Payment of Redemption Amount will be made through the Paying Agent by way of transfer to the registered accounts of the Bondholders or by a BDT cheque drawn on a bank that processes payments in BDT, or through RTGS, or BB cheque, or payment order and mailed to the registered address of the Bondholder, if it does not have a registered account. If the Bondholder receives payment in respect of a Bond, the same shall be deemed to be cancelled from the moment of receiving payment for the said Bond. For the purposes of this Condition, a Bondholder’s **“registered account”** means the BDT account maintained by or on behalf of it with a schedule bank that processes payments in BDT, details of which appear on the Register at the close of business, and a Bondholder’s **“registered address”** means its address appearing on the Register at that time.

C. Payments subject to applicable law

All payments in respect of the Bonds are subject in all cases to any applicable laws and regulations of Bangladesh. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

D. Payments on Business Days

Payments will be made by the Issuer on the later time of the day of the due date for payment (or, if that is not a Business Day, the first following day which is a Business Day). A holder of a Bond shall not be entitled to any Coupon or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

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E. Partial payments

If the Issuer makes a partial payment in respect of any Bond, the Issuer shall procure that the amount and date of such payment are noted in the Register.

F. Record date

Each payment in respect of a Bond will be made to the person shown as the holder in the Register at the close of business on the day (the "**Record Date**"), which is declared as record date in accordance with prevailing laws of Bangladesh.

G. Default Coupon and Delay In Payment

If the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 2% percent per annum plus the Coupon Rate, as applicable for the Coupon Payment Date for which the payment became due, from the due date ("**Default Coupon Rate**"). Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-days.

X. TAXATION

All payments in respect of the Bonds by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes imposed or levied by or on behalf of Bangladesh, unless the withholding or deduction of the Taxes is required by law.

XI. EVENTS OF DEFAULT

The Trustee at its sole discretion may, and if so authorized by the Bondholders in their Meeting shall (subject to being indemnified and/or secured by the holders to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable if:

a) *Non-Payment*


Default is made in respect of any Coupon Payment that become due and remain unpaid for a period of 30 (Thirty) Days from the due date of payment in respect thereof;

b) *Failure to Redeem*

Default in redeeming any Bonds, when the same becomes due and payable at Redemption Date, provided that no such default shall be an Event of Default if caused by an administrative or technical error that is remedied within 5 (five) Business Days of the relevant payment date;

c) *Failure to Perform other Obligation*

The Issuer does not perform or comply with one or more of its other obligations in the Bonds, these Conditions or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within fifteen (15) days after written notice of such default shall have been given to the Issuer by the Trustee;



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d) *Misrepresentation*

Any representation or statement made or deemed to be made by the Issuer in any Bond Documents or any other document delivered by or on behalf of the Issuer under or in connection with any Bond Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;

e) *Insolvency*

The Issuer is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop payment of all or substantially all of (or of a particular type of) its debts, proposes any agreement for the deferral, rescheduling or other readjustment of all or substantially all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, except for the purpose of and followed by a merger;

f) *Attachment of Property*

A distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer, which is material to the Issuer as a whole, and is not discharged or stayed within 45 (Forty Five) days;

g) *Winding Up*

An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by the Trustee or by the Bondholders in the Meeting;

h) *Governmental Intervention*

By or under the authority of any government (a) the management of the Issuer is wholly or partially displaced; or (b) the authority of the Issuer in the conduct of its business is wholly or partially curtailed; or (c) any of the shares of the Issuer or any material part of its assets is seized, nationalized expropriated or acquired;

i) *Illegality*

It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed;

j) *Acquisition by Third Party*

Any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer, which is material to the Issuer as a whole;

XII. ENFORCEMENT

A. General Proceedings

- 1) The Trustee shall notify, in accordance with Condition XV (*Notice*), the Bondholders, BSEC, Exchange and any other organization, as lawfully required to do so, of any Default or Event of Default (and the steps, if any, being taken to remedy it) within 7 (seven) days upon becoming aware of its occurrence (*Notice of Default*).
- 2) The Trustee, being notified in writing by the holders of at least $66\frac{2}{3}$ percent of the Outstanding Bonds, within 15 (fifteen) Business Days of receiving the Notice of Default, that a Bondholders Meeting shall be duly convened, in accordance with this Trust Deed, in order to consider the Events of Default, shall not take any further action in respect of the Event of Default so occurred, unless so requested in writing by the holders of at least $66\frac{2}{3}$ percent of the Outstanding Bonds (subject to being indemnified and/or secured to its satisfaction).
- 3) The Trustee may, after expiry of 15 (fifteen) Business Days, at its discretion and without further notice (subject to being indemnified and/or secured to its reasonable satisfaction), institute such proceedings as required against the Issuer as it may think fit to enforce the obligations of the Issuer under this Conditions or the Trust Deed provided that- (a) no meeting of the Bondholders has been convened and/or held within 15 (Fifteen) days of receipt of the Notice of Default; or (b) the Trustee has not received any instruction in writing by the holders of at least $66\frac{2}{3}$ percent of the Outstanding Bonds (subject to being indemnified and/or secured to its satisfaction).
- 4) Only the Trustee may enforce the provisions of the Bonds or the Trust Deed and no Bondholder shall be entitled to proceed directly against the Issuer, unless the Trustee, having become bound so to proceed under the terms of the Trust Deed, fails to do so within a reasonable time and such failure is continuing.

B. Application of moneys

All moneys received in respect of the Bonds or amounts payable under the Trust Deed will be held by the Trustee on trust to apply them (subject to the terms of the Trust Deed):

- 1) first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by, or other amounts owing to, the Trustee in relation to the preparation and execution of the trusts of the Trust Deed (including remuneration of the Trustee);
- 2) secondly, in payment of any amounts due and owing by the Issuer to the legal counsel of the Issuer;
- 3) thirdly, in or towards payment *pari passu* and rateably of all arrears of Coupon remaining due and unpaid in respect of the Bonds;
- 4) fourthly, in or towards payment *pari passu* and rateably of all Redemption Amount, and Premium, if any, remaining due and unpaid in respect of the Bonds; and
- 5) fifthly, the balance (if any) in payment to the Issuer for itself.

C. Payment to Bondholders

The Trustee shall give notice to the Bondholders of the date fixed for any payment. Subject to the Trust Deed, payment to be made in respect of the Bonds by the Issuer or the Trustee may be made in the manner provided in the Conditions and this Trust Deed and any payment so made shall be a good discharge of the Issuer to the Bondholders to the extent of such payment, by the Issuer or the Trustee, as the case may be.

XIII. MEETINGS OF BONDHOLDERS

A. Meetings

The Meeting of Bondholders and issues incidental thereto including, but without limitation, power, scope, quorum, decision making, resolution of the meeting and voting shall be governed in accordance with the Trust Deed.

B. Interest of Bondholders

In connection with the exercise of its functions (including, but not limited to, those in relation to any proposed modification, authorization or waiver), the Trustee shall have regard to the interests of the Bondholders as a Strip and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders and/or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

XIV. NOTICES

All notices to the Bondholders shall be validly given if mailed to them at their respective addresses in the Register of the Bondholders maintained by the Issuer. Any such notice shall be deemed to have been given on the second Business Day after being so mailed.

XV. INDEMNIFICATION

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its reasonable satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

XVI. GOVERNING LAW AND DISPUTE RESOLUTION

A. Governing law

The Bonds are governed by and shall be construed in accordance with the laws of Bangladesh and are enforceable in any court of law in Bangladesh.

B. Dispute Resolution

Any dispute arising from, or in connection with the Bonds and/or the Conditions (including a dispute relating to non-contractual obligations arising from or in connection with the Bonds and/or the Conditions, or a dispute regarding the existence, validity or termination of the Bonds and/or the Conditions, or consequence of their nullity) (“**the Dispute**”) between the Issuer and the Trustee, or between the Issuer and the Bondholders, or between the Trustee and the Bondholders shall be resolved by Arbitration in accordance with the provision of the Arbitration Act 2001. Each Party shall appoint its arbitrators and the arbitrators shall appoint the chairman

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of the arbitral tribunal. The venue of arbitration shall be in Dhaka, Bangladesh. Unless otherwise determined by the arbitral tribunal, each party to an arbitral proceeding shall bear its respective cost relating to the arbitration proceeding.

Annexure A

(Features of Bonds)

(a) Basic features of the instrument;

- | | | |
|---------------------------------------|---|--|
| (a) Issuer | : | MK Footwear PLC |
| (b) Name of the Issue | : | MK Footwear Non-Convertible Bond |
| (c) Issue Type | : | Non-Convertible, Fully Redeemable & Unsecured Bond |
| (d) Trustee | : | Community Bank Investment Ltd. |
| (e) Fund Arranger | : | Alpha Capital Management Ltd. |
| (f) Arrangement Basis | : | Best Efforts |
| (g) Purpose | : | To meet the requirement of buyer Compliance and working capital requirement. |
| (h) Investors | : | Banks, Corporate, Financial Institutions, Mutual Funds, Insurance Companies, and High net worth individuals (HNWI) and any other eligible investors. |
| (i) Currency | : | BDT |
| (j) Issue Amount | : | BDT 550,000,000.00 |
| (k) Face value per unit | : | BDT 1,000,000.00 |
| (l) Minimum Investment (Subscription) | : | BDT 1,000,000.00 |
| (m) Mode of Placement | : | Private Placement [Subjected to BSEC Approval] |
| (n) Tenure | : | Up to 08 years with 2 years moratorium |
| (o) Security | : | Unsecured |
| (p) Coupon Rate | : | Reference Rate+ Margin
Reference Rate: Six Months Moving Average Rate of Treasury Bill (SMART)
Reference Rate shall be fixed 5 working days prior to the commencement of each Coupon Payment Period.
Margin: 2% |
| (q) Coupon Ceiling | : | 11.50% p.a. |
| (r) Coupon Floor | : | 9.00% p.a. |
| (s) Coupon Fixing Day | : | Coupon Fixing Day refers to the day on which the Coupon Rate for the Period will be fixed. This shall be five (05) working days prior to the commencement of each Coupon Payment Period. |
| (t) Payment Frequency | : | Coupon will be paid semi-annually, i.e., twice a year |
| (u) Coupon payment | : | Coupon Payment shall be payable on half yearly basis from the Date of Issuance of Bond. |

Coupon Payment Date shall be the last day of every six (06) month from the Date of Issuance of Bond.

Coupon Calculation:

(Number of Bonds held by a Bondholder on the respective date (x) Face Value of the Bond, i.e., BDT 1,000,000 each.)

(x) Coupon Rate X 6/12

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If any Coupon Payment Date falls on a holiday including a weekend or on a day that is not a Business Day or a day during continuation of a Force Majeure Event, then the subsequent trading day at the Dhaka Stock Exchange shall be the Coupon Payment Date.

- (v) Governing Law : The laws of The People's Republic of Bangladesh
- (w) Documentation :
 - Bond Subscription Agreement
 - Trust Deed
 - Any other instruments(s) relating to such transaction
- (x) Tradability : Non-Tradable
- (y) Late Redemption : The Issuer shall pay a late payment penalty of 2% percent higher than the declared coupon rate which will be payable on the amount not paid on the due date till the date of actual payment.
- (z) Rating Trigger : If the credit rating of the Issue falls below the minimum investment grade i.e., "BBB" in the long term or "ST-3" in the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a Risk Premium as mentioned in the below table:

Issue Rating	Risk Premium to be Added
BB	0.25%
B	0.50%
C	0.75%
D	1.00%

- (aa) Tax Features : Taxable as per the law of the country.
- (bb) 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.
- (cc) Rate of return, Yield to Maturity, Coupon/Discount Rate : Due to floating coupon rate and convertibility feature of the bond, the rate of return cannot calculate with certainty.
- (dd) Transferability/Liquidity : The bond is transferable as per conditions mentioned in Modus Operandi.
- (ee) Prepayment, Call, Refunding, Conversion or Exchange option : The issuer has the right to redeem (call) the Bond earlier than maturity @ 0.25 % premium. However, there is no put option (sold it back to the issuer) to this issue for investors.
- (ff) Early redemption or Late redemption : The Issuer shall within 30 (thirty) days prior to the Redemption Dates or purchase 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.
- (gg) 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,


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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.

(hh) Costs related to the issue

Arranger to the Issue fees:		12,650,000
Issue Arranger	2% of the Issue Size	11,000,000
VAT against Issue Management fee	15% of Arrangement fee	1,650,000
BSEC Fees:		560,000
Application Fee	Fixed	10,000
Consent Fee	0.10% on the offering amount	550,000
Trustee Fees		4,750,000
Trustee Fee	Fixed	4,000,000
VAT on Trustee Fees	15% of Trustee fee	600,000
Trustee Application Fee	Fixed	50,000
Trustee registration consent fee	Fixed	100,000
Legal Advisor Fee		920,000
Legal Advisor Fee	Negotiable	800,000
VAT on Legal Advisor	15% of Legal Advisor fee	120,000
Credit Rating Fee		920,000
Credit Rating Fee of the Bond	Negotiable	800,000
VAT on Credit Rating Fee	15% of Credit Rating fee	120,000
Misc. Fee		200,000
Total Estimated Cost		20,000,000

(ii) **Call or put option, and premium or discount thereof, if any**


(ij) **Credit enhancement or guarantee, if any**

(kk) **Enforcement of charges over securities**

The issuer has the right to redeem (call) the Bond earlier than maturity @ 0.25 % premium. However, there is no put option (sold it back to the issuer) to this issue for investors.

Personal Guarantee by the Directors of the Company in case the Company fails to redeem the Bonds in due time.

No charges will create over the Securities. Details presented in the trust deed.



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Annexure B
(Redemption of Bonds)

Period	Instalment Number	Instalment	Interest	Principal	Balance
Principal Amount BDT 550,000,000 (Interest Rate 11.50%)					
1st Year	1		31,625,000		581,625,000
	2		33,443,438		615,068,438
2nd Year	3		35,366,435		650,434,873
	4		37,400,005		687,834,878
3rd Year	5	80,922,173	39,550,505	41,371,667	646,463,211
	6	80,922,173	37,171,635	43,750,538	602,712,673
4th Year	7	80,922,173	34,655,979	46,266,194	556,446,479
	8	80,922,173	31,995,673	48,926,500	507,519,979
5th Year	9	80,922,173	29,182,399	51,739,774	455,780,205
	10	80,922,173	26,207,362	54,714,811	401,065,394
6th Year	11	80,922,173	23,061,260	57,860,912	343,204,482
	12	80,922,173	19,734,258	61,187,915	282,016,567
7th Year	13	80,922,173	16,215,953	64,706,220	217,310,347
	14	80,922,173	12,495,345	68,426,828	148,883,519
8th Year	15	80,922,173	8,560,802	72,361,370	76,522,149
	16	80,922,173	4,400,024	76,522,149	0

* Assumed that the Coupon Rate shall be 11.50% (At Ceiling) throughout the tenor of the Bond


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SCHEDULE II
MEETINGS OF BONDHOLDERS

Provisions for meeting of the subscribers shall be conveyed pursuant to the provisions contained herein.

I. Definitions

Notwithstanding anything contained contrary, following expressions have the meanings described hereunder:

"Bonds"	means the debt securities, in form of Unsecured Redeemable Coupon Bearing Bond in compliance with the provision of the Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021 and the Conditions (each a " Bond ").
"Bondholder"	means a person in whose name a Bond (or, as the case may be, such Bond) is registered in the Register;
"Chairman"	means, in relation to any Meeting, the individual who takes the chair in accordance with Clause IV (<i>Chairman</i>);
"Majority of Votes"	means the votes cast in a meeting not less than 51% of the holder of Outstanding Bonds.
"Meeting"	means a meeting of Bondholders (whether originally convened or resumed following an adjournment);
"Outstanding Bonds"	mean such number of Bonds that has not been redeemed in accordance with the Conditions on the Redemption Date.
"Proxy"	means any person who has been authorized in writing by the Bondholder to attend any meeting and cast vote on his behalf.
"Voter"	means, in relation to any Meeting, a Proxy or a Bondholder, who will be eligible to vote in the Meeting.
"Written Resolution"	means a resolution in writing signed by Chairman of the Meeting, in accordance with the provisions of this Schedule.

Words importing the plural shall include the singular and vice versa. References to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any Government entities.

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Wherever any expressed term is used in this schedule and not expressly defined hereunder, shall have the same meaning as those expressed and defined in the Trust Deed.

II. Convening of Meeting

The Trustee may convene a Meeting at any time, and the Trustee shall be obliged to do so upon the request in writing of any Bondholders. Every Meeting shall be held on a date, and at a time and place, approved by the Trustee.

III. Notice

At least 21 days' notice, or such shorter notice, as may be unanimously agreed by the Bondholders (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Bondholders and the Issuer, where the Meeting is convened by the Trustee. The notice shall set out the full text of any resolutions to be proposed unless the Trustee agrees that the notice shall instead specify the nature of the resolutions without including the full text of such resolutions.

IV. Chairman

An individual (who may, but need not, be a Bondholder) nominated in writing by the Trustee may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

V. Quorum

The quorum at any Meeting shall be such number of Voters as required to represent or hold not less than $66\frac{2}{3}$ of the Outstanding Bonds.

VI. Adjournment for want of quorum

If within 30 minutes after the time fixed for any Meeting a quorum is not present, then (a) in the case of a Meeting requested by Bondholders, it shall be dissolved; and (b) in the case of any other Meeting (unless the Trustee otherwise agree), it shall be adjourned for such period (which shall be not less than 13 days and not more than 42 days) and to such place as the Chairman determines (with the approval of the Trustee); provided, however, that the Meeting shall be dissolved if the Trustee in its sole and absolute discretion so decides.

VII. Adjourned Meeting

The Chairman may, with the consent of, and shall if directed by, any Meeting adjourn such 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.

VIII. Notice following adjournment

Paragraph III (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that: (a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

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It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

IX. Participation

The following may attend and speak at a Meeting:

- a) Voters;
- b) representatives of the Issuer and the Trustee;
- c) the financial advisers of the Issuer and the Trustee;
- d) the legal counsel to the Issuer and the Trustee and such advisers; and
- e) any other person approved by the Trustee.

X. Show of Hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is demanded before or at the time that the result is declared, the declaration of the Chairman that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

XI. Poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Trustee or one or more Voters representing or holding not less than one fiftieth of the Outstanding Bonds. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

XII. Votes

Every Voter shall have

- a) on a show of hand, one vote; and
- b) on a poll, one vote for each number of Outstanding Bonds represented or held by him.

A Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way. In the case of equality of vote the Chairman shall have a casting vote.

XIII. Decision of the Meeting

Questions arising at a meeting of the Subscribers at which a quorum is present shall be decided by a Majority of Votes.

XIV. Minutes

Minutes of all resolutions and proceedings at each Meeting shall be made. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarized and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

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XV. Written Resolution

The resolution of the Meeting shall be Written Resolution and shall take effect from the date of decision that has been made in the Meeting.

XVI. Further regulations

Subject to all other provisions contained in this Trust Deed, the Trustee may without the consent of the Issuer or the Bondholders prescribe such further regulations regarding the holding of Meetings and attendance and voting at them as the Trustee may in its sole discretion determine.