

This Notice contains important information that is of interest to holders of the Bonds (as defined below). If any Bondholder is in any doubt about the action it should take, it should seek its own financial and legal advice from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. If applicable, all depositories, custodians and other intermediaries receiving this notice are requested to expedite the re-transmittal to beneficial owners of the Bonds in a timely manner.

If you have recently sold or otherwise transferred your entire holding(s) of Bonds, you should immediately forward this document to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

3 February 2023

SriLankan Airlines Limited

(incorporated in the Democratic Socialist Republic of Sri Lanka with limited liability under registration number PB67)

(the "Issuer")

to all holders of the Issuer's U.S.\$175,000,000 7.00 per cent. Guaranteed Bonds due 2024
(ISIN: XS2010609662)

(the "Bonds" and the holders thereof, the "Bondholders")

Notice of Event of Default

DB Trustees (Hong Kong) Limited is the trustee for the Bonds (the "Trustee"). The Bonds are constituted by a trust deed dated 25 June 2019 (the "Trust Deed") between the Issuer and the Trustee. Sums payable by the Issuer under the Trust Deed and the Bonds are guaranteed by the Government of Sri Lanka (the "Guarantor") pursuant to a deed of guarantee dated 25 June 2019 between the Guarantor and the Trustee (the "Deed of Guarantee").

Capitalised terms used but not otherwise defined herein shall have the meanings ascribed to them in the Trust Deed.

1. **Event of Default:** The Trustee hereby notifies Bondholders that we have been informed that the Issuer has failed to pay interest in respect of the Bonds on the Interest Payment Date falling on 25 December 2022. Following the expiry of the relevant grace period of 30 days under the Bonds, an Event of Default under Condition 8(a)(i) of the Bonds has occurred and is continuing.
2. **Acceleration:** Pursuant to Condition 8 (Events of Default) of the Bonds, if an Event of Default has occurred and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25% in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall, provided in any such case that the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest.
3. **Deed of Guarantee:** Pursuant to Clause 2.1 of the Deed of Guarantee, if the Issuer does not pay any sum payable by it under the Trust Deed or the Bonds on the date specified for such payment (whether on the normal due date or on acceleration), provided that, in the case of Condition 8, such non-payment continues for seven days in the case of principal or 21 days in the case of interest, the Guarantor shall, following written notice from the Trustee to the Guarantor of such non-payment, pay that sum to the Trustee on demand and in any case no later than 30 days from the date specified for such payment (whether on the normal due date or on acceleration), excluding any grace period provided thereto.
4. **Enforcement:** Under Condition 12 (Enforcement) of the Bonds, at any time after the Bonds become due and payable, the Trustee may, at its discretion and without further

notice, take such steps and/or actions and/or institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Deed of Guarantee and the Bonds, but it need not take any such steps and/or actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25% in aggregate principal amount of the Bonds outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

5. It is not the current intention of the Trustee to take any action in respect of paragraphs 1, 2, 3 and 4 above unless the requisite percentage of Bondholders request or direct it to do so and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction.
6. Bondholders who wish to request or direct the Trustee to declare the Bonds due and payable, to take any enforcement action and/or initiate any proceedings must arrange with the relevant clearing system through which their Bonds are held for their Bonds to be blocked to the order of the Trustee, so that the Trustee can aggregate the principal amount of Bonds in respect of which requests or directions have been received to determine whether holders of at least 25% in aggregate principal amount of the outstanding Bonds wish the Trustee to take such action. Requests made (and in respect of which Bonds have been blocked) will remain in place until a Bondholder notifies the Trustee that it wishes its Bonds to be unblocked.
7. If the Trustee were indemnified and/or secured and/or prefunded to its satisfaction, the Trustee would be likely to take further detailed expert advice on an ongoing basis in connection with the steps which should be taken to enforce payment of any amount which may have become due to the Bondholders and otherwise to protect the interests of the Bondholders. The Trustee will not incur the costs of doing this beyond the initial steps already taken until it has been indemnified and/or secured and/or prefunded to its satisfaction.
8. Bondholders who wish to facilitate any communication with the Trustee must instruct the relevant clearing system through which their Bonds are held to send a SWIFT disclosing the following information:

ISIN;
Account No.;
Participant Name;
Principal Amount; and
Beneficial Holder Details (including email address).

(such SWIFT, a “**Disclosure SWIFT**”) to Deutsche Bank AG, Hong Kong Branch as Principal Paying Agent (Attention: Corporate Trust, Trust and Agency Services). The Principal Paying Agent will then forward such details to the Trustee. The Trustee will require the Bonds of any Bondholder that gives any direction to the Trustee to be blocked in the clearing systems if the Disclosure SWIFT does not do so.

9. Beneficial owners of the Bonds (“**Beneficial Holders**”) may also facilitate any communication with the Trustee but they must first direct their custodian to arrange for the relevant clearing system to send a Disclosure SWIFT to the Principal Paying Agent. The Trustee will also require proof of the beneficial ownership of the Bonds before taking any action based on any such direction from the Beneficial Holders.
10. **Trustee Contact Details:** Bondholders who have any queries regarding this notice may contact the Trustee at:

Address: **DB Trustee (Hong Kong) Limited**
Level 60 International Commerce Centre
1 Austin Road West

Kowloon
Hong Kong

Attention: Corporate Trust – Trust & Agency Services

e-mail: debtagency.hkcs@list.db.com and tmg.tasapac@list.db.com

in each case quoting the following reference: "U.S.\$175,000,000 7.00 per cent. Guaranteed Bonds due 2024" together with the applicable ISIN.

The above communication is made without prejudice to any and all of the Trustee's rights under the Trust Deed, the Deed of Guarantee and the Bonds, all of which are expressly reserved.

The Trustee provides the information above for the information of Bondholders, but makes no representation as to the accuracy or completeness thereof and cannot accept any liability for any loss caused by any inaccuracy therein. The Trustee expresses no opinion as to the action (if any) that Bondholders should take in relation to the matters set out above. The Trustee makes no recommendations and gives no legal or investment advice herein or as to the Bonds generally. Bondholders should take and rely on their own independent legal, financial or other professional advice, and may not rely on advice or information provided to the Trustee, statements as to the legal position included in notices issued by the Trustee relating to the Bonds or otherwise or the views of the Trustee expressed herein or otherwise.

ISIN numbers appearing herein have been included solely for the convenience of the Bondholders. The Trustee assumes no responsibility for the selection or use of such number and makes no representation as to the correctness of the numbers listed above.

**This notice is given by
DB Trustee (Hong Kong) Limited
in its capacity as Trustee**