

Notice of Meeting – Annual General Meeting

Notice is hereby given that the Fifty-Third (53rd) Annual General Meeting (AGM) of the Commercial Bank of Ceylon PLC (the 'Company') will be held on Wednesday, March 30, 2022 at 2.30 p.m. at the Galadari Hotel, No. 64, Lotus Road, Colombo 01, as a virtual meeting using a digital platform for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company, the Statement of Compliance and the Financial Statements for the year ended December 31, 2021 together with the Report of the Auditors thereon.
2. To declare a dividend as recommended by the Board of Directors and to consider and if thought fit, to pass the following resolutions:

(i) Declaration of a first and final dividend and approval of its method of satisfaction [Dividend Resolution No. 1]: To consider and if thought fit to pass the following resolution by way of an Ordinary Resolution. [To be passed only by the ordinary (voting) shareholders].

THAT a first and final dividend of Rs. 7.50 per issued and fully paid ordinary (voting) and (non-voting) share constituting a total sum of Rs. 8,956,659,742.50 based on the issued ordinary (voting) and (non-voting) shares as at February 24, 2022 [subject however to necessary amendments being made to such amount to include the dividends pertaining to the options that may be exercised by employees under the Commercial Bank of Ceylon PLC (the 'Company') Employee Share Option Plan (ESOP) schemes] be and is hereby declared for the financial year ended December 31, 2021 on the issued and fully paid ordinary (voting) and (non-voting) shares of the Company;

THAT the shareholders entitled to such dividend would be those shareholders [both ordinary (voting) and (non-voting)], whose names have been duly registered in the Shareholders' Register maintained by the Registrars of the Company [i.e. SSP Corporate Services (Pvt) Ltd., No. 101, Inner Flower Road, Colombo 03] and also those shareholders whose names appear on the Central Depository Systems (Pvt) Ltd. ('CDS') as at end of trading on the Record Date [i.e. the third (3rd) market day from and excluding the date of the meeting] (the 'Entitled Shareholders');

THAT subject to the shareholders (a) waiving their pre-emptive rights to new share issues; and (b) approving the proposed allotment and issue of new ordinary (voting) and (non-voting) shares by passing the resolutions set out in Items 2(ii) and 2(iii) below, the declared first and final dividend of Rs. 7.50 per issued and fully paid ordinary (voting) and (non-voting) share be distributed and satisfied partly by the payment of cash and partly by the allotment and issue of new ordinary (voting) and (non-voting) shares (the 'distribution scheme') based on the share prices of ordinary (voting) and (non-voting) shares as at February 24, 2022 to the Entitled Shareholders;

- The payment in cash of Rs. 4.50 per issued and fully paid ordinary (voting) and (non-voting) share (subject to applicable government taxes); and
- The allotment and issue of new ordinary (voting) and (non-voting) shares in satisfaction of the balance of Rs. 3.00 per share dividend entitlement (subject to applicable government taxes).

THAT accordingly and subject to the approval of the shareholders being obtained in the manner aforementioned the implementation of the said distribution scheme shall be as follows:

(a) By way of a cash distribution:

A cash distribution of a sum of Rs. 5,060,162,376.00 (subject however to necessary amendments being made to such amount to include the dividend payable on the options that may be exercised by the employees under the Company's ESOP schemes) shall be made to the entitled shareholders of ordinary (voting) shares; and a sum of Rs. 313,833,469.50 shall be made to the entitled shareholders of the ordinary (non-voting) shares, on the basis as aforesaid of Rs. 4.50 per ordinary (voting) and (non-voting) share respectively (subject to applicable government taxes);

AND

(b) By way of the allotment and issue of new shares:

The balance sum of:

- Rs. 3,373,441,584.00 (subject however to necessary amendments being made to such amount to include the dividend payable on the options that may be exercised by employees under the Company's ESOP schemes) to which the ordinary (voting) shareholders are entitled (subject to applicable government taxes); and

- Rs. 209,222,313.00 to which the ordinary (non-voting) shareholders are entitled (subject to applicable government taxes),

shall be satisfied by the allotment and issue of new ordinary (voting) and (non-voting) shares to the entitled shareholders of the ordinary (voting) and (non-voting) shares respectively, on the basis of the following ratios:

- 01 new fully paid ordinary (voting) share for every 26.2999997614 existing issued and fully paid ordinary (voting) shares calculated on the basis of the market value of the ordinary (voting) shares as at end of trading on February 24, 2022; and
- 01 new fully paid ordinary (non-voting) share for every 24.9000015709 existing issued and fully paid ordinary (non-voting) shares calculated on the basis of the market value of the ordinary (non-voting) shares as at end of trading on February 24, 2022.

THAT the ordinary (voting) and (non-voting) residual share fractions, respectively, arising in pursuance of the aforementioned allotment and issue of new ordinary (voting) and (non-voting) shares after applying the formulas referred to in the sub heading "Residual fractions of shares" in the "Circular to the shareholders on the first and final dividend for 2021" dated March 7, 2022 be aggregated and the ordinary (voting) and (non-voting) shares, respectively, arising consequent to such aggregation be allotted to Trustees to be nominated by the Board of Directors of the Company, and that the Trustees so nominated and appointed be permitted to hold the said shares in trust until such shares are sold by the Trustees on the trading floor of the Colombo Stock Exchange, and that the net sale proceeds thereof be donated to a charity or charities approved by the Board of Directors of the Company;

THAT the new shares to be issued in pursuance of the said distribution scheme constituting a total issue of 42,755,914 new ordinary (voting) shares, based on the issued and fully paid ordinary (voting) shares as at February 24, 2022, (subject however to the necessary amendments being made to such number to include the dividend on the options that may be exercised by the employees under the Company's ESOP schemes) and 2,800,834 new ordinary (non-voting) shares based on the issued and fully paid ordinary (non-voting) shares as at February 24, 2022 shall, immediately consequent to due allotment thereof to the entitled shareholders rank equal and pari passu in all respects with the existing issued and fully paid ordinary (voting) shares and the existing

issued and fully paid ordinary (non-voting) shares of the Company respectively including the entitlement to participate in any dividend that may be declared after the date of allotment thereof and shall be listed on the Colombo Stock Exchange; and

THAT the new ordinary (voting) and (non-voting) shares to be so allotted and issued shall not be eligible for the payment of the dividend declared hereby and which dividend shall accordingly be payable only on the 1,124,480,528 existing issued and fully paid ordinary (voting) shares as at February 24, 2022 (subject to amendments thereto to include the shares arising on the options that may be exercised by the employees under the Company's ESOP schemes) and 69,740,771 existing issued and fully paid ordinary (non-voting) shares as at February 24, 2022.

(ii) Waiver of Pre-emption Rights (Dividend Resolution No. 2):

Subject to the passing of the Ordinary Resolution set out in Dividend Resolution No.1 above, to consider and if thought fit to pass the following Resolution by way of an Ordinary Resolution (To be passed by a separate vote of the ordinary (voting) shareholders and of the ordinary (non-voting) shareholders respectively):

THAT the pre-emptive right to a new issue of shares provided for by Article 9 A of the Articles of Association of Commercial Bank of Ceylon PLC (the 'Company'), be and is hereby waived in respect of the following proposed issue of new shares to be effected by the Company for purposes of satisfying in part the first and final dividend for the year ended December 31, 2021:

"The allotment and issue of 42,755,914 new ordinary (voting) shares (subject however to the necessary amendments being made to such number to include the dividend on the options that may be exercised by the employees under the Company's ESOP schemes), and 2,800,834 new ordinary (non-voting) shares credited as fully paid to entitled shareholders and which new shares shall rank equal and pari passu with the existing issued and fully paid ordinary (voting) and (non-voting) shares of the Company including the right to participate in any dividend which may be declared after the date of allotment of such shares".

(iii) Approval of an issue of ordinary (voting) and (non-voting) shares (Dividend Resolution No. 3):

Subject to the passing of the Ordinary Resolution set out in Dividend Resolution No. 1 above, to consider and if thought fit to pass the following resolution by way of a Special Resolution [To be passed by a separate vote of the ordinary (voting) shareholders and of the ordinary (non-voting) shareholders respectively]:

THAT the proposed allotment and issue of 42,755,914 new ordinary (voting) shares [subject however to the necessary amendments being made to such number to include the dividend on the options that may be exercised by the employees under the Commercial Bank of Ceylon PLC (the 'Company') ESOP schemes] and 2,800,834 new ordinary (non-voting) shares credited as fully paid to entitled shareholders and which new shares shall rank equal and pari passu with the existing issued and fully paid ordinary (voting) and (non-voting) shares of the Company including the right to participate in any dividend which may be declared after the date of allotment of such shares be and is hereby approved in pursuance of Section 99 of the Companies Act No. 07 of 2007 (as amended) and Article 10 of the Articles of Association of the Company; and

THAT accordingly the Company's management be and is hereby authorized to take all necessary steps to give effect to the aforesaid proposed issue of new ordinary (voting) and (non-voting) shares of the Company.

3. To re-elect/elect the following Directors who, in terms of the Company's Articles of Association, retire by rotation or otherwise as given below:
 - (i) To re-elect Prof. A K W Jayawardane who retires by rotation in terms of Article 86 of the Articles of Association
 - (ii) To re-elect Mr L D Niyangoda who retires by rotation in terms of Article 86 of the Articles of Association
 - (iii) To elect Mrs D L T S Wijewardena who was appointed to the Board in terms of Article 92 of the Articles of Association

4. (i) To reappoint Messrs Ernst & Young, Chartered Accountants, as recommended by the Board of Directors as the Company's Auditors for the financial year ending December 31, 2022; and
(ii) To authorize the Board of Directors to determine the remuneration of the Auditors for the financial year ending December 31, 2022
5. To authorize the Board of Directors to determine donations for the year 2022.
6. Any Other Business
 - (i) In accordance with the policy of the Company as approved by the Board, shareholders are requested to consider and approve the sale of the vehicle used by Justice K Sripavan, former Chairman of the Company, who relinquished office on March 1, 2022 upon reaching the age of 70 years, at 37.5% of the original cost (excluding VAT) or at market value, whichever shall be lower.

By Order of the Board of Commercial Bank of Ceylon PLC,



R A P Rajapaksha
Company Secretary

March 7, 2022
Colombo

Notes

- (i) A duly registered and entitled holder of the Company's ordinary (voting) shares is entitled to participate at the meeting by virtual means, speak and vote at the AGM and is entitled to appoint a proxy holder to participate by virtual means, speak, and vote in his/her stead.
- (ii) A duly registered and entitled holder of the Company's ordinary (non-voting) shares is entitled only to participate at the meeting by virtual means and speak at the AGM and to vote only on the resolutions set out in items 2 (ii) and 2 (iii) of the Notice of Meeting. Such a shareholder is entitled to appoint a proxy holder to participate at the meeting by virtual means, and speak on his/her behalf and to vote only on the resolutions set out in items 2 (ii) and 2 (iii) of the Notice of Meeting.
- (iii) A proxy holder need not be a shareholder of the Company.
- (iv) A Form of Proxy is sent along with this Report. The Form of Proxy should be completed legibly and forwarded to the Company, by facsimile on 011 233 2317 or email to companysecretary@combank.net or by post to Company Secretary, Commercial Bank of Ceylon PLC, "Commercial House", No. 21, Sir Razik Fareed Mawatha, Colombo 01, not later than forty-eight (48) hours before the time appointed for the holding of the AGM.