

Notice of Meeting – Annual General Meeting

Notice is hereby given that the Fifty-Fourth (54th) Annual General Meeting (AGM) of the Commercial Bank of Ceylon PLC (the “Company”) will be held on Thursday, March 30, 2023 at 2.30pm at the Galadari Hotel, No. 64, Lotus Road, Colombo 01, 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, 2022 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. 4.50 per issued and fully paid ordinary (voting) and (non-voting) share constituting a total sum of Rs. 5,579,001,211.50 (subject to applicable government taxes) based on the issued ordinary (voting) and (non-voting) shares as at February 23, 2023 [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, 2022 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. 4.50 per issued and fully paid ordinary (voting) and (non-voting) share be distributed and satisfied 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 23, 2023 to the Entitled Shareholders;

The allotment and issue of new ordinary (voting) and (non-voting) shares in satisfaction of the total dividend entitlement amounting to a sum of Rs. 5,579,001,211.50 (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 by way of the allotment and issue of new shares:

The total sum of:

- Rs. 5,252,563,989.00 (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. 326,437,222.50 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 16.9934641119 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 23, 2023; and
- 01 new fully paid ordinary (non-voting) share for every 14.3529417933 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 23, 2023.

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 2022” dated March 08, 2023 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 68,687,375 new ordinary (voting) shares, based on the issued and fully paid ordinary (voting) shares as at February 23, 2023, (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 5,054,128 new ordinary (non-voting) shares based on the issued and fully paid ordinary (non-voting) shares as at February 23, 2023 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 1,167,236,442 existing issued and fully paid ordinary (voting) shares as at February 23, 2023 (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 72,541,605 existing issued and fully paid ordinary (non-voting) shares as at February 23, 2023.

(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 9A 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 the first and final dividend for the year ended December 31, 2022:

“The allotment and issue of 68,687,375 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 5,054,128 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 68,687,375 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 5,054,128 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 requisite statutory and procedural formalities in order 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 Ms N T M S Cooray who retires by rotation in terms of Article 86 of the Articles of Association.
 - (ii) To re-elect Ms J Lee who retires by rotation in terms of Article 86 of the Articles of Association.
 - (iii) To elect Dr S Selliah who was appointed to the Board in terms of Article 92 of the Articles of Association.
 - (iv) To elect Mr S Prabagar who was appointed to the Board in terms of Article 92 of the Articles of Association.
 - (v) To elect Mr D N L Fernando who was appointed to the Board in terms of Article 92 of the Articles of Association.

4. (i) To re-appoint Messrs Ernst & Young, Chartered Accountants, as recommended by the Board of Directors as the Company's Auditors for the financial year ending December 31, 2023; and
 - (ii) To authorize the Board of Directors to determine the remuneration of the Auditors for the financial year ending December 31, 2023.
5. To authorize the Board of Directors to determine donations for the year 2023.

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



R A P Rajapaksha
Company Secretary

Colombo
March 08, 2023

Notes:

- (i) A duly registered and entitled holder of the Company's ordinary (voting) shares is entitled to attend, speak and vote at the AGM and is entitled to appoint a proxyholder to attend, 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 attend 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 proxyholder to attend, 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 proxyholder need not be a shareholder of the Company.
- (iv) A Form of Proxy is sent along with this Report.
- (v) The Form of Proxy completed legibly should be 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.