

CIRCULAR TO SHAREHOLDERS

HNB FINANCE PLC PB 965 PQ

**11TH ANNUAL GENERAL MEETING (AGM) OF HNB FINANCE PLC TO BE HELD AS A HYBRID MEETING
ON 13 AUGUST 2021 AT 10.00 AM AT THE AUDITORIUM, HNB FINANCE PLC, No. 168, NAWALA ROAD,
NUGEGODA**

Dear Shareholder/s,

Taking into consideration the current regulations/restrictions prevailing in the country due to the COVID-19 pandemic, the Board of Directors of HNB Finance PLC has decided to hold the 11th Annual General Meeting (AGM) as a Hybrid Meeting on Friday 13 August 2021 at 10.00 am in line with the guidelines issued by the Colombo Stock Exchange (CSE) for hosting of virtual/Hybrid AGMs and on the assumption that no curfew/travel restrictions will be in force on that date and that there would be no restrictions imposed by the authorities on conduct of meetings.

Method of holding the AGM

Up to a total of Twenty-Five (25) Shareholders will be accommodated at the physical location of the AGM at the Auditorium, HNB Finance PLC, No. 168, Nawala Road, Nugegoda. The number of Shareholders at the physical location has been limited as aforesaid to maintain "social distancing" requirements in order to mitigate the risk factor associated with the spread of the COVID-19 virus. The Board of Directors, Key Management Personnel, Auditors, Legal Advisers and Company Secretaries and Registrars will assemble at the said physical location.

Health screening measures

Health screening measures will be carried out and maximum safety precautions will be taken at the aforesaid venue where the physical AGM will be held and the Company will not be responsible for any negligence on the part of the Shareholders. All the Shareholders or Proxy holders who participate physically are required to wear a suitable face mask.

The Company will be compelled to prohibit those Shareholders who do not satisfy the requisite health requirements from entering the meeting.

Registration procedure

Those Shareholders and Proxy holders who wish to participate physically or via audio or audio and visual means should notify the Company of such intention by completing the attached **REGISTRATION FORM** and emailing to the following address arangala@hnbfinance.lk or sent by post to reach the Company 48 hours prior to the time fixed for the meeting.

The selection of the Shareholders eligible to participate physically will be made on a first come first served basis and those who become eligible to participate physically on the said basis will be notified thereof by email. All other Shareholders will be allowed the opportunity of participating via an online meeting platform.

The Registration Form will also be made available on the Company's Website (<https://www.hnbfinance.lk/about-us/annual-reports/>) and on the website of the Colombo Stock Exchange (<https://www.cse.lk/home/company-info/HNBF.N0000/financial>)

Appointment of proxy holders

Due to the COVID-19 pandemic and prevailing health and safety guidelines issued by the Government of Sri Lanka, the Shareholders are encouraged to vote by Proxy through appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the meeting, in the Form of Proxy.

The Form of Proxy will also be made available on the websites given below and those Shareholders who wish to submit their Form of Proxy should duly complete the same as per the instructions given therein. The duly completed Form of Proxy should be deposited with the Company, HNB Finance PLC, No. 168, Nawala Road, Nugegoda, Sri Lanka or forwarded by email to arangala@hnbfinance.lk in order to enable the Company to receive the same not less than forty-eight (48) hours prior to the time appointed for holding the AGM.

Participation via an Online Meeting Platform

The login information will be authorised only for the use by individual Shareholders, Proxy Holders and in case of institutional shareholders, the authorised representatives and the Company will not be responsible or liable for any misuse. Where the Proxy Holders are concerned, please note that the login information will only be shared with those in whose favour a valid proxy has been submitted by the Shareholder.

Shareholders can send in their queries, if any to arangala@hnbfinance.lk before twenty-four hours (24) of the commencement of the meeting.

Voting

Voting in respect of the items of business of the Agenda will be registered by using an online platform or a designated ancillary online application. This method of voting will count one vote per Shareholder similar to show of hands.

Copies of the Annual Report 2020/21

A QR Code containing the Annual Report information is forwarded herewith.

The Annual Report and the Financial Statements of the Company are available on the following websites and the relevant links are given below enabling all the Shareholders to access such Annual and Financial Statements.

1. Corporate Website of HNB Finance PLC – <https://www.hnbfinance.lk/about-us/annual-reports/>

2. Colombo Stock Exchange – <https://www.cse.lk/home/company-info/HNBF.N0000/financial>

Should Shareholders wish to obtain a printed copy of the Annual Report, they may send a written request to the Registered Office of the Company by filling the Request Form attached herein. A copy of the Annual Report will be forwarded by the Company within eight (8) market days from the date of receipt of the request.

In view of the prevailing situation in the country the Company will not be sending the Annual Report for the year 2020/21 in a CD-ROM.

Documents relating to the AGM

All documents relating to the AGM must be forwarded to the Company by post or by email to the following email address arangala@hnbfinance.lk 48 hours prior to the time fixed for the meeting.

The Notice of Meeting, Form of Proxy, and other related documents will also made available on the Company's Website (<https://www.hnbfinance.lk/about-us/annual-reports/>) and on the website of the Colombo Stock Exchange (<https://www.cse.lk/home/company-info/HNBF.N0000/financial>).

Below mentioned documents are attached herewith:

1. Registration Form for the AGM;
2. Registration process to participate at the AGM via Online Meeting Platform;
3. Notice of Meeting
4. Form of Proxy
5. Guidelines to join the AGM virtually
6. Request Letter for printed copy of the Annual Report.

The Company will endeavour to dispatch the aforementioned documents by ordinary post to the Shareholders provided the postal services are duly operational.

For any queries please contact Mr W S P Arangala of HNB Finance PLC on +94 11 202 4848 during office hours (8.30 am to 5.00 pm).

BY ORDER OF THE BOARD,

HNB FINANCE PLC



S S P CORPORATE SERVICES (PRIVATE) LIMITED
SECRETARIES

Colombo, Sri Lanka
16 July 2021