

**COMMERCIAL BANK OF CEYLON PLC
(COMPANY REGISTRATION NO. PQ 116)**

July 20, 2020

CIRCULAR TO THE SHAREHOLDERS

Dear Shareholder/s,

We wish to inform you that the Board of Directors of Commercial Bank of Ceylon PLC (the "Bank") has duly resolved to convene an Extraordinary General Meeting ("EGM") of the Bank to be held on Wednesday, August 12, 2020 at 10.30 a.m. at 'The Balmoral' – The Kingsbury Hotel, No 48, Janadhipathi Mawatha, Colombo 01 for the purpose of enabling its shareholders to consider and if thought fit to pass the resolutions set out in the attached Notice of Meeting.

1. ISSUE OF UPTO ONE HUNDRED AND TWENTY-FIVE MILLION (125,000,000) ORDINARY VOTING SHARES OF THE BANK BY WAY OF A PRIVATE PLACEMENT

The Board of Directors of the Bank (the "Board") has, by way of a resolution passed on June 29, 2020 decided to raise new equity capital by the issue of up to One Hundred and Twenty Five Million (125,000,000) ordinary voting shares of the Bank by way of a Private Placement ("Private Placement Shares") to International Finance Corporation ("IFC"), IFC Financial Institutions Growth Fund LP ("FIG Fund") and IFC Emerging Asia Fund LP ("EA Fund") (IFC, FIG Fund and EA Fund together being the "IFC Parties") at a consideration of Sri Lankan Rupees Eighty (LKR 80/-) per share for a total consideration not exceeding the Sri Lankan Rupee equivalent of up to United States Dollars Fifty Million (USD 50,000,000) converted at the best available rate of exchange of United States Dollars to Sri Lanka Rupees that can reasonably be obtained by each of the respective IFC Parties three (3) business days prior to the date of issue of Private Placement Shares. The date of issue of Private Placement Shares will be on or before August 31, 2020. The salient details of the said Private Placement including the consideration to be paid by each of the IFC Parties and the maximum number of Private Placement Shares to be issued to each of the IFC Parties are set out in the table below:

IFC Party	No. of Voting Shares as at 31.03.2020 (as per the latest published Financial Statements)	No. of Voting Shares acquired from 31.03.2020 to 10.07.2020	Shareholding as at 10.07.2020	Consideration up to ('000)	Maximum number of ordinary voting shares to be issued	Total Maximum Number of Shares post private placement	Maximum percentage (%) of ordinary voting shares post Private Placement
IFC	42,651,626	997,698*	43,649,324	USD15,000	37,500,000	81,149,324	7.32%
FIG Fund	-	-	-	USD17,500	43,750,000	43,750,000	3.94%
EA Fund	-	-	-	USD17,500	43,750,000	43,750,000	3.94%
Total				USD50,000	125,000,000	-	-

*Shares allotted in satisfaction of the Final Dividend for the year ended December 31, 2019 (Scrip Dividend) and listed on July 06, 2020.

Table 1

In the opinion of the Board the consideration of Sri Lankan Rupees Eighty (LKR 80/-) per ordinary voting share is fair and reasonable to the Bank and to all its existing shareholders, as required under

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Commercial Bank of Ceylon PLC (Reg No. PQ 116), Commercial House, No. 21, Sir Razik Fareed Mawatha, P.O. Box 856, Colombo 01, Sri Lanka.

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and in terms of Section 52 of the Companies Act No.7 of 2007 (as amended) ("Companies Act"). In forming their opinion, the Board has taken into consideration the following factors:

- (a) the Volume Weighted Average (VWA) price per ordinary voting share of the Bank for the 30 days immediately preceding the date of the Board Meeting (June 29, 2020) amounted to Sri Lankan Rupees Sixty Five and Eighty Nine Cents (LKR 65.89).
- (b) the volatility in equity markets both in Sri Lanka as well as overseas and the benefits arising from fixing the price now at a premium to the VWA price as opposed to the VWA price immediately preceding the date of subscription by the IFC Parties.

Each of the Private Placement Shares to be so issued will upon the issue thereof, rank equal and *pari passu* in all respects with the existing ordinary voting shares of the Bank, conferring on the holder thereof the right to (i) one vote on a poll at a meeting of the Bank on any resolution, (ii) an equal share in dividends paid by the Bank and (iii) an equal share in the distribution of the surplus assets of the Bank on liquidation.

The Bank wishes to confirm that:

- (a) Pursuance to the Banking Act Direction No. 11 of 2007: Corporate Governance for Licensed Commercial Banks in Sri Lanka, IFC will become a related party of the Bank subsequent to the Private Placement;
- (b) The proceeds received in pursuance of the Private Placement will not be lent to related parties of the Bank;
- (c) The provisions of Take-overs and Mergers Code 1995 (as amended) will not be applicable post Private Placement;
- (d) In the event the requisite resolutions approving the Private Placement are passed by the shareholders, Private Placement shares upon allotment will be directly uploaded to the Accounts of the Central Depository System (CDS) maintained by IFC, FIG Fund and EA Fund on the date of issue of the Private Placement shares and the Bank will submit a Declaration to the CSE as per Section 5.4 (g) of the Listing Rules of the CSE ("CSE Listing Rules") to facilitate the listing of Private Placement Shares on the CSE;
- (e) Investments made by the IFC Parties and refunds to them (if any) will be made only through their Inward Investment Accounts (IIA).

2. DETAILS OF THE INVESTORS

IFC has contributed in many ways to the Bank's growth including in the areas of Social and Environmental Management Systems in the past. It is expected to further facilitate lending to SMEs and Micros headed by Women while imparting IFC's experience in good practices and procedures among overseas operations of the Bank.

Brief profiles of the IFC Parties i.e IFC, FIG Fund and EA Fund to whom the shares will be issued through the Private Placement are given below:

International Finance Corporation (“IFC”)

The International Finance Corporation is an international financial institution, that offers investment, advisory, and asset-management services to encourage private-sector development in less developed countries, which was incorporated through the Articles of Agreement amongst the member countries in 1956 and is based in Washington DC. Sri Lanka has accepted the Articles of Agreement of the IFC through the International Finance Corporation Agreement Act No.4 of 1956. The IFC is a member of the World Bank Group.

IFC Financial Institutions Growth Fund LP (“FIG Fund”) and IFC Emerging Asia Fund LP (“EA Fund”)

IFC Asset Management Company (AMC), created in 2009, is a division of IFC and mobilizes and manages capital to invest in businesses in developing and frontier markets. Two of the thirteen AMC managed funds are the **IFC Emerging Asia Fund** and the **IFC Financial Institutions Growth Fund**. The \$693 million IFC Emerging Asia Fund, launched in 2016, makes equity and equity-like investments across all sectors in emerging markets in Asia. The \$505 million IFC Financial Institutions Growth Fund makes equity and equity-like investments in financial institutions in emerging markets.

3. THE PURPOSE FOR WHICH THE PROCEEDS OF THE ISSUE OF SHARES BY PRIVATE PLACEMENT ARE TO BE UTILIZED

The proceeds from the Private Placement will be utilized to raise Tier 1 Capital of the Bank and to support future lending growth of the Bank.

4. BENEFITS TO THE BANK AND THE EXISTING SHAREHOLDERS FROM THE PROPOSED PRIVATE PLACEMENT

The Bank by augmenting its Tier 1 Capital comfortably above the regulatory requirements set out below would be able to pursue its growth objectives without the hindrance of regulatory capital limitations.

Ratios	Annual Report as at 31.12.2019		Statutory requirement as at 10.07.2020*	Tier 1 capital of the Bank 31.03.2020	After the issue of shares to the IFC Parties for USD 50 Million
	Statutory Requirement as at 31.12.2019	Tier 1 capital of the Bank			CAR with maximum number of shares
Minimum Tier 1 with buffers	10%	12.298%	9%	11.495%	12.463%
Total capital with buffers	14%	16.146%	13%	15.298%	16.265%

*After taking in to consideration of permission granted by Central Bank of Sri Lanka to Domestic Systemically Important Banks to drawdown their Capital Conservation Buffers by 100bps subject to conditions stipulated.

Table 2

It is expected that with the proposed investment of the IFC Parties, the Bank would be able to further leverage upon their experience in good practices and standards to increase competitiveness and productivity.

5. EQUITY STRUCTURE

Impact of the proposed Private Placement on the number of issued shares is given in Table 3 below:

Class of Shares	Voting	Non-Voting
Number of existing shares as at July 10, 2020	983,737,751	67,970,701
Add: Maximum Number of shares to be issued by way of Private Placement	125,000,000	-
Total number of shares pursuant to the proposed Private Placement	1,108,737,751	67,970,701

Table 3

Impact of the proposed private Placement on Stated Capital, Public Holding and the number of Shareholders of the Bank are given in Table 4 below:

	Pre-Private Placement	Post-Private Placement
Stated Capital (Rs.)	42,971,970,264.39	52,971,970,264.39 (up to a maximum)
Public Holding	Voting: 99.73% Non-Voting: 99.79%	Voting: 84.53% Non-Voting: 99.79%
Number of Shareholders	Voting: 15,747 (approximately) Non-Voting: 5,531 (approximately)	Voting: 15,749 (approximately) Non-Voting: 5,531 (approximately)

Table 4

6. MARKET PRICE OF SHARES

The highest, lowest and closing prices of the Bank's ordinary voting shares and ordinary non-voting shares for the preceding three (03) months are given below:

Month	Voting			Non-Voting		
	Highest Price (Rs.)	Lowest Price (Rs.)	Closing Price (Rs.)	Highest Price (Rs.)	Lowest Price (Rs.)	Closing Price (Rs.)
April*	-	-	-	-	-	-
May	71.90	50.00	63.00	62.50	48.00	53.60
June	79.90	60.90	78.80	70.00	52.50	67.60

*Not available due to the closure of Colombo Stock Exchange owing to the out-break of COVID-19 pandemic.

Table 5

7. TOP 20 VOTING AND NON-VOTING SHAREHOLDERS

The top twenty (20) voting shareholders of the Bank as at July 10, 2020 are as follows:

No.	Name of the Shareholder (Voting)	No. Shares	Percentage (%)
1.	EMPLOYEES PROVIDENT FUND	94,723,763	9.63
2.	DFCC BANK PLC A/C 1	84,491,613	8.59
3.	MR Y S H I SILVA	84,332,412	8.57
4.	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	57,365,519	5.83
5.	DFCC BANK PLC A/C NO.02	48,742,111	4.95
6.	MELSTACORP PLC	45,483,957	4.62
7.	CB NY S/A INTERNATIONAL FINANCE CORPORATION	43,649,324	4.44
8.	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	38,406,463	3.90
9.	CITIBANK NEWYORK S/A NORGE BANK ACCOUNT 2	37,966,141	3.86
10.	MR D P PIERIS	21,003,054	2.14

No.	Name of the Shareholder (Voting)	No. Shares	Percentage (%)
11.	EMPLOYEES TRUST FUND BOARD	18,569,807	1.89
12.	MRS L E M YASEEN	17,077,784	1.74
13.	MR M J FERNANDO	9,955,139	1.01
14.	RENUKA HOTELS PLC	9,893,069	1.01
15.	BP2S LONDON-EDINBURGH DRAGON TRUST PLC	9,093,567	0.92
16.	RENUKA CONSULTANTS & SERVICES LIMITED	8,611,578	0.88
17.	BNYMSANV RE-FIRST STATE INVESTMENTS ICVC-STEWART INVESTORS INDIAN SUBCONTINENT SUSTAINABILITY FUND	8,422,450	0.86
18.	HALLSVILLE TRADING GROUP INC.	7,564,706	0.77
19.	BNYMSANV RE-LF RUFFER INVESTMENT FUNDS : LF RUFFER PACIFIC AND EMERGING MARKETS FUND	7,219,310	0.73
20.	SEYLAN BANK PLC/W.D.N.H.PERERA	6,323,570	0.64

Table 6

The top twenty (20) non-voting shareholders of the Bank as at July 10, 2020 are as follows:

No.	Name of the Shareholder (Non-Voting)	No. Shares	Percentage (%)
1.	EMPLOYEES TRUST FUND BOARD	5,287,676	7.78
2.	AKBAR BROTHERS PVT LTD A/C NO 1	2,868,633	4.22
3.	GF CAPITAL GLOBAL LIMITED	1,757,304	2.59
4.	MR. A H MUNASINGHE	1,651,143	2.43
5.	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	1,561,066	2.30
6.	SERENDIP INVESTMENTS LIMITED	1,533,206	2.26
7.	SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD	1,243,497	1.83
8.	MR. M F HASHIM	1,182,270	1.74
9.	M.J.F. EXPORTS (PVT) LTD	1,162,757	1.71
10.	MRS L V C SAMARASINHA	1,025,906	1.51
11.	SABOOR CHATOOR (PVT) LTD	946,035	1.39
12.	MR. E CHATOOR	804,257	1.18
13.	MR. T W A WICKRAMASINGHE	769,430	1.13
14.	MR M J FERNANDO	749,664	1.10
15.	MR. J D BANDARANAYAKE (JOINTLY MISS N. BANDARANAYAKE AND DR. V. BANDARANAYAKE)	688,540	1.01
16.	MR. R GAUTAM	673,164	0.99
17.	MR. J D BANDARANAYAKE (JOINTLY DR. V. BANDARANAYAKE AND MISS I. BANDARANAYAKE)	667,474	0.98
18.	MR. K S M DE SILVA	613,749	0.90
19.	MR. G R MALLAWAARATCHY (JOINTLY MRS B G P MALLAWAARATCHY)	569,975	0.84
20.	MR. J G DE MEL	568,476	0.84

Table 7

8. DISCLOSURE IN THE INTERIM FINANCIAL STATEMENTS AND THE ANNUAL REPORTS

It is expected to disclose information in the following template and statement formats through all the Interim Financial Statements and Annual Reports from the date of raising funds through the proposed Private Placement until the purpose of the Private Placement is achieved and funds are fully utilized.

Objective No.	Objectives as per circular	Amount received as per circular in LKR (Bn) (A)	Proposed date of utilization as per circular	Amount utilized in LKR(Bn) (B)	% of utilized against received (B/A)	Clarification if not fully utilized
1.	Increase of Tier I Capital		31.08.2020			
2.	Support the lending growth		31.03.2021			

Table 8

In the event the proceeds of the Private Placement are utilized in terms of the objectives disclosed in the Circular to Shareholders prior to the submission of the Bank's next Financial Statement (i.e. Interim Financial Statement or Annual Report) the Bank will disclose the fact that the proceeds have been utilized in its entirety as per the above template.

9. DIVIDEND HISTORY

The dividend history of the Bank for last three years is as follows:

Dividends Paid (Gross) Rs	2017	2018	2019
Cash Dividends	4,483,714,989.00	4,548,953,065.50	4,623,779,637.00
Scrip Dividends	1,994,271,300.00	2,022,031,924.00	2,055,013,172.00
Total Dividends	6,477,986,289.00	6,570,984,989.50	6,678,792,809.00
Dividend Payout Ratio % (Dividends/Net Profit after Tax)			
Cash Payout Ratio	26.42	25.92	27.16
Scrip Payout Ratio	11.75	11.52	12.07
Total Payout Ratio	38.17	37.44	39.23
Dividend per share -(Rs.)			
Cash	4.50	4.50	4.50
Scrip	2.00	2.00	2.00
Total	6.50	6.50	6.50

Table 9

10. APPROVALS FOR THE ISSUE AND LISTING OF THE PRIVATE PLACEMENT SHARES

The Bank has obtained the approval in principle of the Colombo Stock Exchange for the issue and listing of the Private Placement Shares.

The Bank confirms that, other than for the approval to be obtained by the IFC Parties from the Monetary Board of the Central Bank of Sri Lanka in terms of Section 12(1C) of the Banking Act No. 30 of 1988 (as amended) for the acquisition of a material interest in the Bank, no other regulatory approval is required. The Bank understands that the IFC Parties have submitted an application to the Monetary Board to obtain the said approval.

In terms of Listing Rule No. 5.4(d) of the Listing Rules of the CSE, the Bank is required to obtain the approval of the shareholders for the Private Placement by way of a special resolution. Additionally, it will also be necessary to obtain by way of a further special resolution the approval of the holders of

the ordinary non-voting shares for the proposed private placement in pursuance of Section 99 of the Companies Act and Article 10 of the Articles of Association of the Bank.

The requisite resolutions to be passed by the shareholders are set out in the enclosed Notice of Meeting.

The listing of the new securities by the CSE will in no way be reflective of the merits of the issue. The CSE assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports included.

11. DIRECTORS' RECOMMENDATION

The Board of Directors of the Bank recommends the Private Placement in the manner aforesaid for approval by the shareholders at an EGM convened for Wednesday, August 12, 2020.

12. THE EGM

The EGM, for the purpose of the shareholders, considering and if thought fit, approving the Private Placement will be held on Wednesday, August 12, 2020 at 10.30 a.m. at 'The Balmoral'— The Kingsbury Hotel, No. 48, Janadhipathi Mawatha, Colombo 1. The requisite resolutions to give effect to the above matters are set out in the Notice of Meeting, attached hereto.

If you are unable to attend the EGM, you are entitled to appoint a Proxy to attend the EGM on your behalf and to also vote on your behalf. If such be the case, please complete and return the attached Form of Proxy to the Registered Office of the Company at "Commercial House", No.21, Sir Razik Fareed Mawatha, Colombo 01 not less than forty-eight (48) hours before the time appointed for the holding of the EGM so that your Proxy can represent you thereat and exercise your vote in accordance with your directions.

As per the instructions of the Health Authorities in order to combat the COVID-19 pandemic, all shareholders are kindly requested to wear face masks and maintain social distancing when attending the EGM. Seating arrangements for the shareholders at the EGM will be facilitated ensuring required social distancing.

By Order of the Board of Commercial Bank of Ceylon PLC



R.A.P. Rajapaksha
Company Secretary

July 20, 2020
Colombo

COMMERCIAL BANK OF CEYLON PLC- PQ 116

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("EGM") of Commercial Bank of Ceylon PLC ("the Bank") will be held on Wednesday, 12th August 2020 at 10.30 a.m. at 'The Balmoral' – The Kingsbury Hotel, No 48, Janadhipathi Mawatha, Colombo 01 for the following purposes:

1. APPROVAL OF THE ISSUE OF ORDINARY VOTING SHARES BY WAY OF A PRIVATE PLACEMENT

(Resolution No.01 – To be passed by the ordinary voting shareholders)

To consider and if thought fit to pass the following Resolution by way of a Special Resolution:

"THAT subject to the shareholders passing the resolutions set out in items 2 and 3 herein below, the issuance of up to One Hundred and Twenty Five Million (125,000,000) ordinary voting shares of the Bank by way of a Private Placement to International Finance Corporation, IFC Financial Institutions Growth Fund LP and IFC Emerging Asia Fund LP (the "IFC Parties") in the manner set forth below (with each new ordinary voting share ranking equal and *pari passu* with the existing ordinary voting shares of the Bank upon the issue thereof), at a consideration of Sri Lankan Rupees Eighty (LKR 80/-) per share for a total consideration not exceeding the Sri Lankan Rupee equivalent of up to United States Dollars Fifty Million (USD 50,000,000) converted at the best available rate of exchange of United States Dollars to Sri Lanka Rupees that can reasonably be obtained by each of the respective IFC Parties three (3) business days prior to the date of issue of such ordinary voting shares, be and is hereby approved in pursuance of the provisions of the Rule 5.4 of the Listing Rules of the Colombo Stock Exchange subject to the IFC Parties obtaining the requisite approvals from the Monetary Board of the Central Bank of Sri Lanka:

- International Finance Corporation – up to 37,500,000 ordinary voting shares
- IFC Financial Institutions Growth Fund LP – up to 43,750,000 ordinary voting shares
- IFC Emerging Asia Fund LP – up to 43,750,000 ordinary voting shares

2. WAIVER OF PRE-EMPTION RIGHTS PROVIDED IN ARTICLE 9A OF THE ARTICLES OF ASSOCIATION OF THE BANK IN RESPECT OF THE PROPOSED ISSUE OF ORDINARY VOTING SHARES BY WAY OF A PRIVATE PLACEMENT

(Resolution No.02 – To be passed by the ordinary voting shareholders)

To consider and if thought fit to pass the following Resolution by way of an Ordinary Resolution:

“**THAT** the pre-emptive right to a new issue of shares provided for by Article 9A of the Articles of Association of the Bank be and is hereby waived in respect of the new ordinary voting shares of the Bank up to One Hundred and Twenty Five Million (125,000,000) to be issued to International Finance Corporation, IFC Financial Institutions Growth Fund LP and IFC Emerging Asia Fund LP by way of a Private Placement as set out in Resolution No.1 herein.”

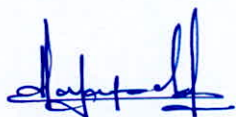
3. APPROVAL UNDER SECTION 99 OF THE COMPANIES ACT NO.7 OF 2007 AND ARTICLE 10 OF THE ARTICLES OF ASSOCIATION OF THE BANK OF THE PROPOSED ISSUE OF ORDINARY VOTING SHARES BY WAY OF A PRIVATE PLACEMENT

(Resolution No.03 – To be passed by the ordinary non-voting shareholders)

To consider and if thought fit to pass the following Resolution by way of a Special Resolution:

“**THAT** the proposed issuance of up to One Hundred and Twenty Five Million (125,000,000) ordinary voting shares of the Bank to International Finance Corporation, IFC Financial Institutions Growth Fund LP and IFC Emerging Asia Fund LP, by way of a Private Placement as and in the manner set out in Resolution No.1 herein 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 Bank.”

By Order of the Board of Commercial Bank of Ceylon PLC



R.A.P. Rajapaksha
Company Secretary

July 20, 2020
Colombo

**Form of Proxy (Voting Shareholders)
Extraordinary General Meeting**

I/We.....of
..... being a Shareholder/s of
Commercial Bank of Ceylon PLC hereby appoint (NIC No.
.....) of.....
whom failing:

Mr Kankanam Gamage Don Dharmasena Dheerasinghe	whom failing
Mr Mahinda Preethiraj Jayawardena	whom failing
Mr Sivakrishnarajah Renganathan	whom failing
Mr Sembakuttige Swarnajothi	whom failing
Prof Ananda Kithsiri Wijenayaka Jayawardane	whom failing
Mr Kumbukage Dharmasiri	whom failing
Mr Lakshman Dushyantha Niyangoda	whom failing
Ms Nawalage Therese Manouri Shiromal Cooray	whom failing
Mr Themiya Loku Bandara Hurulle	whom failing
Justice Kanagasabapathy Sripavan	whom failing
Mr Sanath Chandima Udayakumara Manatunge	

as my/our Proxy holder to represent me/us and to speak at the meeting and to vote on a show of hands or on a poll on my/our behalf as indicated below (in relation to the Resolutions set out hereunder) at the Extraordinary General Meeting ("EGM") of Commercial Bank of Ceylon PLC ("the Bank") to be held on Wednesday, 12th August 2020 at 10.30 a.m. at 'The Balmoral' – The Kingsbury Hotel, No 48, Janadhipathi Mawatha, Colombo 01 and at any adjournment thereof and at every poll which may be taken in consequence thereof and which EGM has been convened for the purpose of considering and if thought fit to pass the following Resolutions. (Please indicate your preference with a '✓' in the relevant box):

	For	Against
1. APPROVAL OF THE ISSUE OF ORDINARY VOTING SHARES BY WAY OF A PRIVATE PLACEMENT	☐	☐

(To be passed by way of a Special Resolution)

"**THAT** subject to the shareholders passing the resolutions set out in items 2 and 3 hereinbelow, the issuance of up to One Hundred and Twenty Five Million (125,000,000) ordinary voting shares of the Bank by way of a Private Placement to International Finance Corporation, IFC Financial Institutions Growth Fund LP and IFC Emerging Asia Fund LP (the "IFC Parties") in the manner set forth below (with each new ordinary voting share ranking equal and *pari passu* with the existing ordinary voting shares of the Bank upon issue thereof), at a consideration of Sri Lankan Rupees Eighty (LKR 80/-) per share for a total consideration not exceeding the Sri Lankan Rupee equivalent of up to United States Dollars Fifty Million (USD 50,000,000) converted at the best available rate of exchange of United States Dollars to Sri Lanka Rupees that can reasonably be obtained by each of the respective IFC Parties three (3) business days prior to the date of issue of such ordinary voting shares, be and is hereby approved in pursuance of the provisions of the Rule 5.4 of the Listing Rules of the Colombo Stock Exchange subject to the IFC Parties obtaining the requisite approvals from the Monetary Board of the Central Bank of Sri Lanka:

- International Finance Corporation – up to 37,500,000 ordinary voting shares
- IFC Financial Institutions Growth Fund LP – up to 43,750,000 ordinary voting shares
- IFC Emerging Asia Fund LP – up to 43,750,000 ordinary voting shares

2. WAIVER OF PRE-EMPTION RIGHTS PROVIDED IN ARTICLE 9A OF THE ARTICLES OF ASSOCIATION OF THE BANK IN RESPECT OF THE PROPOSED ISSUE OF ORDINARY VOTING SHARES BY WAY OF A PRIVATE PLACEMENT

For ☐ Against ☐

(To be passed by way of an Ordinary Resolution)

“**THAT** the pre-emptive right to a new issue of shares provided for by Article 9A of the Articles of Association of the Bank be and is hereby waived in respect of the new ordinary voting shares of the Bank up to One Hundred and Twenty Five Million (125,000,000) to be issued to International Finance Corporation, IFC Financial Institutions Growth Fund LP and IFC Emerging Asia Fund LP by way of a Private Placement as set out in Resolution No.1 herein.”

Signed on this day of Two Thousand and Twenty.

.....
Folio Number Signature/s of Shareholder/s NIC/PP/Co. Reg. No. of Shareholder/s

Notes

- (i) Instructions as to completion of this Form of Proxy are given in page No.3
- (ii) As regards voting on the Resolutions indicated in the Form of Proxy, if no words are struck out or there is in the view of the Proxyholder doubt (by reason of the way in which the instructions in the Form of Proxy have been stated by the Shareholder) as to the way in which the Proxyholder should vote, the Proxyholder will vote as he/she thinks fit.
- (iii) If the Form of Proxy is signed by an Attorney, the relative Power of Attorney (POA) should accompany the completed Form of Proxy for registration in the event such POA has not already been registered with the Bank.
- (iv) If the Shareholder is a company or a corporate body, the Form of Proxy should be executed under its common seal or in such other manner as may be provided for in its Constitutional documents, if any, or be signed by its Attorney or by an officer on behalf of the company/corporate body, in accordance with its Articles of Association/Statute.
- (v) Every alteration or addition to the Form of Proxy must be duly authenticated by the full signature of the Shareholder signing the Form of Proxy. Such signature should as far as possible be placed in proximity to the alteration or addition intended to be authenticated.
- (vi) The use of the word “Member/s” herein is a reference to “Shareholder/s”.

Instructions as to Completion of Form of Proxy

(a) Article 68 of the Articles of Association of the Company provides that:

“An instrument appointing a proxy shall be in writing, and

(i) In the case of an individual shall be signed by the appointor or by his attorney; or in the case of a corporation shall be either under the common seal or signed by its attorney or by an officer authorised to do so on behalf of the corporation. The Company may, but shall not be bound to require evidence of the authority of any such attorney or officer.

(ii) A proxy need not be a Member of the Company”.

(b) In terms of Article 63 of the Articles of Association of the Company:

“In the case of joint-holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders, and for this purpose, seniority shall be determined by the order in which the name stands in the Register of Members in respect of the joint holding”.

(c) The full name and address of the Proxyholder and of the Shareholder appointing the Proxyholder should be entered legibly in the Form of Proxy.

(d) The completed Form of Proxy should be deposited at the Registered Office of the Company, ‘Commercial House’, No. 21, Sir Razik Fareed Mawatha, Colombo 01, not less than forty-eight (48) hours before the time appointed for the holding of the Meeting.

(e) Articles 57 to 60 of the Articles of Association of the Company, dealing with voting are quoted below, for information of Shareholders:

“57. Method of Voting

At any General Meeting, a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

(i) The Chairman of the Meeting; or

(ii) Not less than five persons present in person or by attorney or representative or by proxy and entitled to vote; or

(iii) A Member or Members present in person or by attorney or representative or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting.

A demand for a poll may be withdrawn. Unless a poll be demanded (and the demand be not withdrawn), a declaration by the Chairman of the Meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

58. How a Poll is to be taken

If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the Meeting may direct, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may (and if so requested shall), appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of taking and declaring the result of the poll.

59. Chairman’s Casting Vote

In the case of an equality of votes, whether on a show of hands or poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

60. Time for Taking a Poll

A poll demanded on the election of a Chairman of the Meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.”

REQUEST TO SHAREHOLDERS

SHAREHOLDERS ARE KINDLY REQUESTED TO INDICATE THE ‘FOLIO NUMBER’ APPEARING IN THE ADDRESS LABEL IN THE SPACE PROVIDED FOR ‘FOLIO NUMBER’ IN THE FORM OF PROXY. THIS IS FOR THE CONVENIENCE OF THE REGISTRARS. PLEASE NOTE THAT NON-INDICATION OF THE ‘FOLIO NUMBER’ WILL NOT INVALIDATE THE FORM OF PROXY, UNDER ANY CIRCUMSTANCES.

**Form of Proxy (Non-Voting Shareholders)
Extraordinary General Meeting**

I/We of
..... being a Shareholder/s of
Commercial Bank of Ceylon PLC hereby appoint (NIC No.
.....) of
whom failing:

Mr Kankanam Gamage Don Dharmasena Dheerasinghe	whom failing
Mr Mahinda Preethiraj Jayawardena	whom failing
Mr Sivakrishnarajah Renganathan	whom failing
Mr Sembakuttige Swarnajothi	whom failing
Prof Ananda Kithsiri Wijenayaka Jayawardane	whom failing
Mr Kumbukage Dharmasiri	whom failing
Mr Lakshman Dushyantha Niyangoda	whom failing
Ms Nawalage Therese Manouri Shiromal Cooray	whom failing
Mr Themiya Loku Bandara Hurulle	whom failing
Justice Kanagasabapathy Sripavan	whom failing
Mr Sanath Chandima Udayakumara Manatunge	

as my/our Proxy holder to represent me/us and to speak on my/our behalf and to vote on a show of hands or on a poll on my/our behalf as indicated below (and strictly in relation to the Resolution set out hereunder) at the Extraordinary General Meeting ("EGM") of Commercial Bank of Ceylon PLC ("the Bank") which is scheduled to be held on Wednesday, 12th August 2020 at 10.30 a.m. at 'The Balmoral' – The Kingsbury Hotel, No 48, Janadhipathi Mawatha, Colombo 01 and at any adjournment thereof and which EGM has been convened for the purpose of considering and if thought fit to pass the following Resolution by way of Special Resolution. (Please indicate your preference with a '✓' in the relevant box):

APPROVAL UNDER SECTION 99 OF THE COMPANIES ACT NO.7 OF 2007 AND ARTICLE 10 OF THE ARTICLES OF ASSOCIATION OF THE BANK OF THE PROPOSED ISSUE OF ORDINARY VOTING SHARES BY WAY OF A PRIVATE PLACEMENT

For Against

☐	☐
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(To be passed by way of a Special Resolution)

"**THAT** the proposed issuance of up to One Hundred and Twenty Five Million (125,000,000) ordinary voting shares of the Bank to International Finance Corporation, IFC Financial Institutions Growth Fund LP and IFC Emerging Asia Fund LP, by way of a Private Placement as and in the manner set out in Resolution No.1 herein 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 Bank."

Signed on this day of Two Thousand and Twenty.

..... Folio Number	 Signature/s of Shareholder/s	 NIC/PP/Co. Reg. No. of Shareholder/s
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Notes

- (i) Instructions as to completion of this Form of Proxy are given in page No.3.
- (ii) Shareholders of non-voting shares are entitled only to attend and speak at the Meeting and to vote only in respect of the Resolution set out in item 3 of the Notice of Meeting.

- (iii) If the Form of Proxy is signed by an Attorney, the relative Power of Attorney (POA) should accompany the completed Form of Proxy for registration in the event such POA has not already been registered with the Bank.
- (iv) If the Shareholder is a company or a corporate body, the Form of Proxy should be executed under its common seal or in such other manner as may be provided for in its Constitutional documents, if any, or be signed by its Attorney or by an officer on behalf of the company/corporate body, in accordance with its Articles of Association/Statute.
- (v) Every alteration or addition to the Form of Proxy must be duly authenticated by the full signature of the Shareholder signing the Form of Proxy. Such signature should as far as possible be placed in proximity to the alteration or addition intended to be authenticated.
- (vi) The use of the word "Member/s" herein is a reference to "Shareholder/s".

Instructions as to Completion of Form of Proxy

(a) Article 68 of the Articles of Association of the Company provides that:

"An instrument appointing a proxy shall be in writing, and

(i) In the case of an individual shall be signed by the appointor or by his attorney; or in the case of a corporation shall be either under the common seal or signed by its attorney or by an officer authorised to do so on behalf of the corporation. The Company may, but shall not be bound to require evidence of the authority of any such attorney or officer.

(ii) A proxy need not be a Member of the Company".

(b) In terms of Article 63 of the Articles of Association of the Company:

"In the case of joint-holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders, and for this purpose, seniority shall be determined by the order in which the name stands in the Register of Members in respect of the joint holding".

(c) The full name and address of the Proxyholder and of the Shareholder appointing the Proxyholder should be entered legibly in the Form of Proxy.

(d) The completed Form of Proxy should be deposited at the Registered Office of the Company, 'Commercial House', No. 21, Sir Razik Fareed Mawatha, Colombo 01, not less than forty-eight (48) hours before the time appointed for the holding of the Meeting.

(e) Articles 57 to 60 of the Articles of Association of the Company, dealing with voting are quoted below, for information of Shareholders:

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