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சம்பத் வங்கி
Sampath Bank

SAMPATH BANK PLC

(Company Registration No. PQ 144)
No. 110, Sir James Peiris Mawatha,
Colombo 02, Sri Lanka
Tel: 0115600600/0114730630

CIRCULAR TO SHAREHOLDERS

Dear Shareholder/s,

Your Company made a profit of Rs. 8,025 Mn for the year ended 31st December 2020 (Group Rs. 8,443 Mn). Total shareholders' Funds increased from Rs. 105,006 Mn to Rs. 107,549 Mn. [Group Equity increased from Rs. 111,457 Mn to Rs. 114,415 Mn.] as reflected in the Financial Statements as at 31st December 2020. Figures shown herein are extracted from audited published financial statements.

Having identified the need to strengthen the Tier 2 Capital Base further as per BASEL III requirements which will facilitate the Company's forecasted asset growth, in terms of the resolution adopted by the Board of Directors of the Company on 02nd February 2021 by circulation pursuant to Article No. 102 of the Articles of Association of the Company, resolved and recommended the following:

1.0 ISSUE OF BASEL III COMPLIANT - TIER 2, LISTED, RATED, UNSECURED, SUBORDINATED, REDEEMABLE 7 YEAR DEBENTURES (2021/28) WITH A NON-VIABILITY CONVERSION (DEBENTURES), AT THE PAR VALUE OF LKR 100/- EACH.

To raise a sum of up to Rupees Five Billion (LKR 5,000,000,000/-) by an initial Issue of up to Fifty Million (50,000,000) Debentures, of the par value of LKR 100/- each, with an option to increase the said sum by up to a further Rupees One Billion (LKR 1,000,000,000/-) by an issue of a further Ten Million (10,000,000) of the said Debentures, at the discretion of the Company in the event of an over subscription of the initial Issue.

As such, a maximum amount of Rupees Six Billion (LKR 6,000,000,000) would be raised by the issue of a maximum of Sixty Million (60,000,000) Debentures each with the par value of LKR 100/-.

The above issue is subject to the approval of the Colombo Stock Exchange, Central Bank of Sri Lanka and other regulators (as applicable);

Fitch Ratings Lanka Ltd has assigned an expected rating of 'A(lka)(EXP)' for the proposed Debenture Issue and the final rating for same will be issued by the said rating agency subsequent to the special resolutions being passed by the Shareholders at an Extraordinary General Meeting (herein after referred as the "EGM") to be convened as stated in section 9.0 of this circular. The Final Rating report will be incorporated in the Debenture Prospectus.

2.0 OBJECTIVES OF THE ISSUE

- The Company intends to utilize the entire proceeds of the Issue to expand the Company's loan book via diverse lending products in the ordinary course of business over a period of six to nine months based on the current credit demand and until such time, any unutilized Debenture proceeds will be invested in government securities or any other suitable investment instrument/(s) at the discretion of the Company. Investment in government securities are expected to generate a return of 4.93% to 5.09% p.a. at current rates. Such investments are done by the Company's Treasury during the ordinary course of business and based on quantum and nature of investment such decisions will be at various delegated authority levels of the Company.

  Growth in Net loans and advances as at 31.12.2019 & 31.12.2020

	Net loans & advances (Rs.Bn)	Growth (Rs. Bn)
As at 31.12.2018	650	-
As at 31.12.2019	689	39
As at 31.12.2020	720	31

  Based on the past performance of the Company especially the lending growth the Company is confident of utilizing the Debenture funds as per the objectives stated above.

  These activities will generate earnings which contribute ultimately towards profits of the Company, benefiting the Shareholders.

The Company, as at the date of this circular has not recognized related parties for the lending of the proceeds of the Issue. As such, the Company will disburse the proceeds of the Issue in the ordinary course of business. However, in the event, funds are lent to related parties in the future, the Company will comply with Section 9 of the CSE Listing Rules.

- **Strengthening the Tier 2 Capital will facilitate the Company's envisaged asset growth whilst maintaining its Capital adequacy at satisfactory levels.**

  The Bank maintains the Capital Adequacy Ratio as per the regulatory requirements as at date. The proposed infusion of Tier 2 Capital via the Debentures will facilitate further asset growth.

  The subordinated nature and medium to long term duration of the Debentures issued in compliance with requirements under BASEL III with a Non-Viability Conversion will enable the Company to strengthen the Tier 2 Capital Base as per BASEL III requirements. Approval has been obtained from the Central Bank of Sri Lanka to include the Debentures as Tier 2 Capital of the Company.

In the unlikely event of any shortfall of funds to be generated from the proposed Debenture Issue, the Company will adjust the asset growth to comply with the BASEL III requirements.

Note:

If there are any changes occurring in circumstances due to specific risks relating to objectives of the Debenture Issue as highlighted in section "Specific Risk Relating to Objectives of the Debenture Issue", the Company may use the funds appropriately, i.e. if funds are not utilized for loan growth such funds will be invested in government securities for which no further approval from Debenture Holders will be sought, as same is not required.

3.0 Current Capital Adequacy status

Based on the financial information available as at 31st December 2020, the Bank has complied with Basel III regulatory requirements for Capital Adequacy as at 31st December 2020.

Current CAR position of the Bank as at 31.12.2020	Minimum CAR requirement to be maintained as per BASEL III Directions of CBSL.	Minimum amount of funds the bank is required to raise from the Debenture Issue which will have a convertible feature in compliance with BASEL III requirements to meet the CAR requirement as at 31/03/2021	Expected CAR position to be achieved by the Bank, subsequent to the Debenture Issue which will have a convertible feature in compliance with BASEL III requirements	
			As at 31/03/2021 with Rs. 5.0 Bn	As at 31/03/2021 with Rs. 6.0 Bn
16.41%	12.0%	-	16.55%	16.69%

The minimum Capital Adequacy requirements under BASEL III is as follows;

Components of Capital	Minimum Regulatory Requirements
Common Equity Tier 1 capital with CCB	6.5 %
Total Tier 1 capital with CCB	8.0%
Total Capital Ratio (Tier 1 + Tier 2) with CCB	12.0%

CCB: Capital Conservation Buffer

The Company's intention herein is to obtain Shareholders' approval for the issuance of any Ordinary Voting Shares which may be occasioned through the Central Bank of Sri Lanka instructing the Company to exercise the convertible feature attached to these Debentures (The occurrence of the "Trigger Event") and to waive the pre-emptive rights of the existing Ordinary Voting Shareholders.

In order for the Debentures to be recognized as Tier 2 Capital of the Company under BASEL III as detailed in the Banking Act Direction No. 1 of 2016 issued by the Central Bank of Sri Lanka, the Debentures are required to have inter alia the following minimum features:

The Debentures have to be;

- Listed on a recognized Stock Exchange
- Subordinated
- Of a minimum Tenor of 5 years and redeemable/callable only after the expiry of such period.
- Rated by an acceptable Rating Agency

- Having an option where, in the event the Monetary Board of the Central Bank of Sri Lanka deeming it appropriate that the Debentures being converted into Ordinary Voting Shares of the Company (ranking equal and pari passu with the existing Ordinary Voting Shares of the Company) through issuance of new shares to cover the total outstanding under the Debentures is in the best interest of the Company, directs the Company to convert the Debentures into Ordinary Voting Shares of the Company (ranking equal and pari passu with the existing Ordinary Voting Shares of the Company) through issuance of new Ordinary Voting Shares to cover the total outstanding under the Debentures (the 'Trigger Event' referred to in this document)
- Neither the Company nor a banking group over which the Company exercises control or significant influence will purchase the instrument and the Company will not directly or indirectly have funded the purchase of the instrument.

4.0 Eligible Investors for BASEL III Compliant Debentures;

Investment and trading in Debentures will be limited to Qualified Investors which mean:

(a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act No. 30 of 1988 (as amended);

(b) A specialized bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act No.30 of 1988 (as amended);

(c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled Fund;

(d) A venture capital fund/ company and private equity company;

(e) A finance company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act No 42 of 2011 (as amended);

(f) A company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act No 56 of 2000 (as amended);

(g) A company licensed by the Insurance Board of Sri Lanka to carry on insurance business in terms of the Regulation of the Insurance Industry Act No. 43 of 2000 (as amended);

(h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No. 7 of 2007;

(i) An investment trust or investment company;

(j) A non-resident institutional investor; and,

(k) An individual with an initial investment of Rs. 5,000,000/-.

The utilization of the proceeds of the Debenture Issue will be disclosed in the Annual Report and the Interim Financial Statements from the Issue Opening Date and until the objectives of the Debenture Issue are achieved. The Company has utilized the proceeds of all previous Debenture Issues towards achieving the objectives of the respective Issues.

5.0 SPECIFIC RISK RELATING TO OBJECTIVES OF THE DEBENTURE ISSUE (the Issue)

Dependency of proceeds of the Issue to achieve the objectives is marginal as the Company, in the ordinary course of business has access to multiple sources of funds such as different types of deposits and borrowings.

Based on Company's experience, there is a strong growth in the loans and advances portfolio of the Company and the Company experienced a growth of Rs. 39 Bn and Rs. 31 Bn in net loans and advances respectively during the year 2019 and 2020. As such, there is no specific risk factor that may lead to non-achievement of expanding the Company's loan book within the specified time line via the proceeds of the Issue up to a maximum of Rs. 6.0 Bn. However, in the highly unlikely event of the Company failing to lend these funds due to an unforeseen reason, these funds would be invested in Government Securities at zero risk.

The Tier 2 Capital adequacy envisaged to be met from this Issue will support the above mentioned Asset growth. In the event the objective of raising Tier 2 Capital is not achieved fully, the Company would have to restrict itself to a slower asset growth. However, the Company would be able to supplement this requirement to a certain degree with retention of expected profits.

However, the risk of undersubscription of the Debenture Issue will be greatly mitigated due to the strong financial performance of the Company as the Issuer and best efforts placements by the designated Joint Placement Agents.

No further shareholder approval will need to be sought in the event the Debenture Issue is not fully subscribed or if the time lines stated above are amended as thought fit by the Company.

6.0 REDEMPTION OF DEBENTURES AND CONSEQUENCE OF A TRIGGER EVENT

6.1 Trigger Event

A 'Trigger Event' is determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Directions No. 1 of 2016 of Web Based Return Code 20.2.3.1.1.1 (10) (iii) (a & b) as a point/ event is the earlier of;

a) "Decision that a write-down, without which the Bank would become non-viable, is necessary, as determined by the Monetary Board. OR

b) The decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the Monetary Board"

6.2 Conversion Price

Outstanding balance of the Debentures including the total par value of the Debentures plus accrued and unpaid Debenture Interest (if any), will be converted at an issue price for such Ordinary Voting Shares which will be based on the simple average of the daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share as published by the Colombo Stock Exchange during the three months (03) period, immediately preceding the date of the Trigger Event.

Averaging out of the VWAP over a period of 3 months preceding the Trigger Event as opposed to a shorter window closer to the Trigger Event, is aimed at smoothing out price effects so that the consequent conversion price would be fair and equitable to the Company and to the existing Shareholders.

If the prevailing 3 month VWAP at the time of the Trigger Event is low, it would result in a comparatively higher number of Ordinary Voting Shares being issued to the Debenture Holders. Alternately, where a higher 3 month Volume Weighted Average Share Price prevails at the time of the Trigger Event it would result in a comparatively lower number of Ordinary Voting Shares being issued to Debenture Holders.

6.3 Issuance of Ordinary Voting Shares upon occurrence of a Trigger Event

Based on above conversion mechanism the outstanding balance of the Debentures including the total par value of the Debentures plus accrued and unpaid Debenture Interest (if any) will get converted to Ordinary Voting Shares, which will be listed on the CSE. In the event of any Debenture Holder being entitled to a fractional allotment of an Ordinary Voting Share on such issuance and allotment, the Company shall settle such sums in cash, based on the issue price of such share. If a Trigger Event occurs and thereafter a Conversion to Ordinary Voting Shares takes place, the Debentures will cease to exist.

6.4 Applicable timelines

Upon the occurrence of the Trigger Event as determined by the Monetary Board of the Central Bank of Sri Lanka, the Company shall be required and entitled to issue and within twenty (20) days to allot Ordinary Voting Shares of the Company ranking equal and pari-passu with the existing Ordinary Voting Shares to the Debenture Holders as of the Trigger Date, up to the outstanding balance of such Debentures including the total par value of the Debentures and unpaid and accrued Debenture Interest (if any) at an issue price for such Ordinary Voting Shares which will be based on the Conversion Price.

The CDS upload pertaining to Ordinary Shares will be completed within 10 market days from the date of allotment of such shares. In the event of any Debenture Holder being entitled to a fractional allotment of an Ordinary Voting Share on such issuance and allotment, the Company shall settle such sums in cash, based on the issue price of such share within fourteen (14) market days from the date of allotment of the said Ordinary Voting Shares.

6.5 Market Announcements

The Company on receipt of a Trigger Event notification from the Central Bank of Sri Lanka will immediately make a market announcement of the same and further announce the "price" and "dates" (i.e. Trigger Event date, date of allotment and CDS upload date) pertaining to such conversion of Debentures to ordinary voting shares.

6.6 Compliance with applicable laws and regulations

Issue of any new Ordinary Voting Shares due to occurrence of a Trigger Event, would be carried out in compliance with the applicable laws and regulations of Sri Lanka, including any regulations applicable on 'material interest that a shareholder may hold' in terms of the Banking Act No 30 of 1988.

6.7 Non Occurrence of a Trigger Event

The proposed Debentures will be redeemed after 07 years from the date of allotment of such Debentures and the principal sum and unpaid and accrued interest (if any) payable on the redemption of Debentures will be paid not later than three (03) Working days from the date of redemption, unless otherwise a Trigger Event' occurs as detailed above.

In the event of the Debenture Holders becoming Shareholders of the Company, due to the occurrence of the Trigger Event, they would be entitled to exercise such rights as are exercisable by the other shareholders of the Company holding Ordinary Voting Shares. In the event of conversion to Ordinary Voting Shares, there would be a dilution of the existing shareholding percentage held by the existing Shareholders, however the extent of dilution will be dependent on several factors that cannot be determined at this point, due to the following;

a. The number of shares to be issued resulting from such a conversion will be determined by the 'conversion price' at the 'Trigger point as detailed above.

b. The extent of dilution of existing Shareholders will need to be determined by how many shares are in issue at the time of such a conversion. Such a number can vary during the tenure of the subject Debenture due to issuance of new shares by way of scrip dividends, capitalization of shares or rights issues.

The advantage to the existing Shareholders from such an event would be that the 'non-viability' point determined by the Monetary Board will be at a juncture where the then existing shareholders will be first called upon to bring in additional capital (Subject to CSE & SEC approval as applicable), **alternatively, if they are unable to infuse fresh capital, the proposed Debenture and all previous Basel III Compliant Debentures issued by the Company (i.e.; Tier 2 Capital) will get converted to Ordinary Share capital (Tier 1 capital).**

Reduction of the Debenture liability of the Company will reduce the strain on the assets of the Company in the event of a liquidation. i.e. more assets leftover for distribution to the shareholders though on a diluted basis with the inclusion of newly converted Debenture Holders (existing shareholders plus newly converted shareholders).

With the reduction of the interest bearing liabilities as stated above, the financing cost will reduce and improve the bottom line of the Company.

6.8 Basis and rationale for determining the conversion price

Averaging out of the VWAP over a period of 3 months preceding the Trigger Event as opposed to a shorter window closer to the Trigger Event, is aimed at smoothing out price effects so that the consequent conversion price would be fair and equitable to the Company and to the existing Shareholders.

6.9 Implications arising from a market based conversion price upon the occurrence of a Trigger Event

The level of the conversion price determines the dilution impact on the respective shareholdings of existing Shareholders. In the event the conversion price based on the above formula as described above at the time of a Trigger Event is low, this would result in a comparatively higher number of Ordinary Voting Shares being required to be issued by the Company which would further dilute the holding percentage of existing Shareholders. On the contrary, if a relatively higher conversion price prevails at the time of a Trigger Event, this would result in a comparatively lower number of Ordinary Voting Shares requiring to be issued which would lead to a lesser degree of dilution in the holding percentage of existing Shareholders.

It is reiterated that in the event of there being a likelihood of a Trigger Event the Company would first approach the existing shareholders for additional share capital and it is only if that is not forthcoming that the proposed debentures will get converted into ordinary voting shares.

7.0 REDEMPTION OF DEBENTURES

The proposed Debentures will be redeemed after 07 years from the date of allotment of such debentures and the principal sum and unpaid and accrued interest (if any) payable on the redemption of Debentures will be paid not later than three (03) Market days from the date of redemption, unless a 'trigger event' occurs as detailed above.

8.0 THE IMPACT OF COVID-19 PANDEMIC ON THE COMPANY

The Company was no exception to its competitors, and have experienced varied impact on the Company's general business in line with the impact Covid-19 pandemic had on the economy as a whole. Further, it is difficult to assess the real impact of Covid-19 pandemic on the economy/ Company's business, as the pandemic is not fully contained.

The Company has prudently made adequate impairment provisions as at 31st December 2020 to ensure that the potential impact to its loan book is adequately covered in the financial statements.

Further, the Company is closely monitoring the developments taking place in the business front to take corrective measures and formulate contingent strategies to counter the potential risks. Further, the Company is experiencing a gradual recovery of business activities with the general public getting used to new normalcy coupled with the progress made in accessing Covid-19 vaccines; which has provided a tailwind.

9.0 EXTRAORDINARY GENERAL MEETING

As per rule No.2.2.1 (l) of the Listing Rules of the Colombo Stock Exchange, the Company is required to obtain the approval of the Shareholders for the proposed Debenture Issue by way of a special resolution. Further, it will also be necessary to obtain, by way of a duly passed special resolution, the approval of the Shareholders for the proposed Share Issue which arises pursuant to the conversion of Debentures, which may affect the rights attached to the Company's existing Ordinary Voting Shares, in compliance with Section 99 of the Companies Act No. 7 of 2007.

Accordingly, the EGM of the Company will be convened through an "online virtual" platform by using "audio- visual" tools, having taken note of the health and safety guidelines issued by the Health Authorities in view of the Covid-19 pandemic and the Colombo Stock Exchange issuing guidelines to the listed entities to hold Shareholder Meetings virtually, in conformity with the applicable regulatory provisions for the purpose of passing the special resolutions as set out in the Notice of Meeting attached hereto.

If you are unable to participate the EGM to be convened as mentioned in this circular you are entitled to appoint a Proxy to participate and vote on your behalf. In such event, please complete and return the enclosed Form of Proxy (in accordance with the instructions specified therein) to "Company Secretary, Sampath Bank PLC, No. 110, Sir James Peiris Mawatha, Colombo 02", not less than 48 hours before the time appointed for holding of the meeting.

By Order of the Board

Lasantha Senaratne
Company Secretary

25th February 2021

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சம்பத் வங்கி
Sampath Bank

SAMPATH BANK PLC

(Company Registration No. PQ 144)
No. 110, Sir James Peiris Mawatha,
Colombo 02, Sri Lanka
Tel: 0115600600/0114730630

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Sampath Bank PLC will be held at the "Board Room" of the Bank on 4th Floor, Sampath Bank PLC, at No. 110, Sir James Peiris Mawatha, Colombo 02 to be convened through an "online virtual" platform by using "audio-visual" tools on 24th March 2021 at 9.00 a.m. for the following purpose;

AGENDA

1. To consider and if thought fit to pass the following as a Special Resolution:

a) That the Directors be and are hereby authorized to issue a maximum of 60,000,000 Basel III compliant Tier 2, Listed Rated Unsecured Subordinated Redeemable 7 Year Debentures (2021/28) with a Non-Viability conversion ("Debentures") of the par value of Rs.100/= each and also to issue and allot Ordinary Voting Shares of the Bank to the holders of the said Debentures through conversion to new Ordinary Voting Shares to cover the total outstanding under the Debentures including the total par value of the Debentures plus accrued and unpaid Debenture Interest (if any), in the event the Monetary Board of the Central Bank of Sri Lanka ("CBSL") considers that a 'Trigger Event' has occurred and has deemed it appropriate that the total outstanding of the Debentures including the total par value of the Debentures plus accrued and unpaid Debenture Interest (if any) being converted to Ordinary Voting Shares of the Bank (ranking equal and pari passu with the existing Ordinary Voting Shares of the Bank) is in the best interest of the Bank , without which the Bank would become non-viable.

b) The conversion of the Debentures to Ordinary Voting Shares and issuance of new Ordinary Voting Shares to cover the total outstanding under the Debentures including the total par value of the Debentures plus accrued and unpaid Debenture Interest (if any) is required under the Banking Act Direction No. 1 of 2016 dated 29th December 2016 (as may be amended from time to time), and the issue price for such conversion to Ordinary Voting Shares shall be the simple average of the daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share as published by the Colombo Stock Exchange ("CSE"), during the three (03) months period, immediately preceding the date of the Trigger Event on which the CBSL has determined as aforesaid.

c) That such shares be offered to the holders of the Debentures on the aforesaid basis in lieu of the amounts due and payable on the Debentures without such shares being, in the first instance, offered to the then existing Ordinary Shareholders of the Bank with voting rights pari passu to their shareholding.

d) The subject BASEL III compliant Debenture Issue is subject to approvals of the CSE, CBSL and other regulators (as applicable) and the issue and secondary market trading of such Debentures will be limited to 'Qualified Investors' as defined by the CSE.

In order for the Debentures to be recognized as Tier 2 Capital of the Bank under BASEL III as detailed in the Banking Act Direction No.1 of 2016 issued by the Central Bank of Sri Lanka, the Debentures are required to have the following minimum features:

- Listed on a recognized Stock Exchange
- Subordinated
- Of a minimum Tenor of 5 years and redeemable/callable only after the expiry of such period.

- Rated by an acceptable Rating Agency
- Having an option where, in the event the Monetary Board of the Central Bank of Sri Lanka deeming it appropriate that the Debentures being converted into Ordinary Voting Shares of the Bank (ranking equal and pari passu with the existing Ordinary Voting Shares of the Bank) through issuance of new shares to cover the total outstanding under the Debentures is in the best interest of the Bank, directs the Bank to convert the Debentures into Ordinary Voting Shares of the Bank (ranking equal and pari passu with the existing Ordinary Voting Shares of the Bank) through issuance of new Ordinary Voting Shares to cover the total outstanding under the Debentures (the Trigger Event above referred to)
- Neither the Company nor a banking group over which the Company exercises control or significant influence will purchase the instrument and the Company will not directly or indirectly have funded the purchase of the instrument.

By order of the Board

Lasantha Senaratne
Company Secretary

25th February 2021

Notes:

I. A member is entitled to participate and vote at the above-mentioned meeting or such member is entitled to appoint a Proxy to participate and vote on his/her/its behalf. A proxy need not be a member of the Company.

II. A Form of Proxy is enclosed for this purpose.

III. The Board of Directors, having taken note of the health and safety guidelines issued by the Health Authorities in view of the Covid-19 pandemic and the Colombo Stock Exchange issuing guidelines to the listed entities to hold Shareholder Meetings virtually, has decided to hold the Extraordinary General Meeting (EGM) through an "online virtual" platform by using "audio-visual" tools in conformity with the applicable regulatory provisions

IV. Shareholders who wish to participate the Extraordinary General Meeting through the online platform are kindly requested to complete and forward the "Annexure I- Registration of Shareholder Details" attached hereto to the email address "company_secretary@sampath.lk" with the email subject title "SAMP-DEB EGM 2021" or post it to the registered address mentioned below to be received not less than 02 days before holding of the meeting.

Shareholders are requested to provide their email addresses in the space provided in "Annexure I" in order to forward the web link if they wish to participate at the meeting through the online platform.

V. The Chairman, certain members of the Board and key essential officials for the administration of formalities to conduct the meeting, will be physically present at the Registered Office.

VI. Voting on the item listed in the Agenda will be registered by using an online platform and the procedures to be followed when voting will be explained to the shareholders prior to the commencement of the meeting.

VII. Shareholders who wish to appoint a member of the Board of Directors as his/her proxy to represent them at the EGM may do so by completing the Form of Proxy, in such event the email address of the proxy holder will not be required.

VIII. Shareholders may send their questions/comments on the item listed in the Agenda of the Notice convening the EGM by email to "company_secretary@sampath.lk" or by post to Company Secretary, Sampath Bank PLC, No. 110, Sir James Peiris Mawatha, Colombo 02 not less than 02 days before holding of the meeting.

IX. The instrument appointing a proxy should be deposited at the Registered Office at No. 110, Sir James Peiris Mawatha, Colombo 02 or a scanned copy to be emailed to "company_secretary@sampath.lk" not less than 48 hours before the date of the meeting.

X. Only registered shareholders and registered proxy holders will be permitted to log-in and participate in the EGM virtually.

XI. The Bank intends to proceed to hold the EGM as planned on 24th March 2021 irrespective of whether it is declared a public holiday since the aforesaid measures will enable full participation at the meeting.

FORM OF PROXY

Debenture Issue 2021/28

EXTRAORDINARY GENERAL MEETING
Sampath Bank PLC (PQ 144)
110, Sir James Peiris Mawatha,
Colombo 02.

I/We,.....

..... bearing NIC No. .....of

..... being a member/members

of Sampath Bank PLC (the Company) hereby appoint Mr/Mrs/Miss/Ven/Rev.....

.....

bearing NIC No. .....of.....

.....whom failing:

1	Mr Harsha Amarasekera	failing him	7	Mr Vajira Kulatilaka	failing him
2	Mr Rushanka Silva	failing him	8	Mrs Keshini Jayawardena	failing her
3	Mr Deshal de Mel	failing him	9	Mr Vinod Hirdaramani	failing him
4	Mr Dilip de S Wijeyeratne	failing him	10	Mr Nanda Fernando	failing him
5	Ms Aroshi Nanayakkara	failing her	11	Mr Ajantha de Vas Gunasekara	
6	Dr Sanjiva Weerawarana	failing him			

as my/our proxy to participate and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at the "Board Room" of the Bank on 4th Floor, Sampath Bank PLC, at No. 110, Sir James Peiris Mawatha, Colombo 02 to be convened through an "online virtual" platform by using "audio-visual" tools on 24th March 2021 at 9.00 a.m. and at any adjournment thereof.

Please mark your preference with "X"

	FOR	**AGAINST**
1. To consider and if thought fit to pass the Special Resolution for the issuance of Basel III compliant Tier 2, Listed Rated Unsecured Subordinated Redeemable 7 Year Debentures (2021/28) with a Non-Viability conversion at a pre-specified trigger point, at the par value of Rs.100/- each, as set out in the Notice convening the meeting.	☐	☐

Signed on this .....day of 2021

Signature .....

NIC/PP/Co. Reg. No. of Shareholder/s .....

Note: 1. Proxy need not be a member of the Company
2. Instructions regarding completion of Proxy are given in next page

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of Proxy, after filling in legibly your full name and address and by signing in the space provided.

2. The completed form of Proxy should be deposited at the Registered Office (Secretariat Department) of the Company at No.110, Sir James Peiris Mawatha, Colombo 02, **not less than 48 hours before,** the appointed time for holding the Meeting and no registration of Proxies will be accommodated after the said time period.

3. If you wish to appoint a person other than Chairman, Deputy Chairman or a Director of the Company as your Proxy, please insert the relevant details in the space provided before names of the Board of Directors on the Proxy Form.

4. Article No. 73 of the Articles of Association of Company provides that: "Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company".

5. Please indicate with an 'X' in the space provided, how your Proxy is to vote on the resolution. If no indication is given, the Proxy, at his/her discretion, will vote as he/she thinks fit.

6. In the case of a Company/Corporation, the Proxy must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.

7. In the case of a Proxy signed by an Attorney, the Power of Attorney must be deposited at the Registered Office of the Company for registration.

Name of Shareholder : .....

NIC No./Passport No./Co. Reg No. of Shareholder : .....

Membership No./Share Certificate No. : .....

CDS A /C No. [if applicable] : .....

No. of Shares : .....

Name of Proxy holder : .....

NIC No./Passport No. of Proxy holder : .....

Annexure I

Membership No./CDS Account No/NIC

SAMPATH BANK PLC
EXTRAORDINARY GENERAL MEETING 2021
DEBENTURE ISSUE 2021/28
REGISTRATION OF SHAREHOLDER DETAILS

To: Company Secretary
Sampath Bank PLC
No. 110, Sir James Peiris Mawatha,
Colombo 02,
Sri Lanka.

1. Full Name of the Shareholder : .....

.....

2. Shareholder's Address : .....

.....

.....

3. Shareholder's NIC No./Passport No./Co. Reg No.:

4. Shareholder's Contact No.(Residence) : ..... 5. Mobile : .....

6. Name of Proxy holder : .....

7. Proxy holder's NIC No./Passport No./Co. Reg No.:

8. Proxy holder's Contact No.(Residence) : ..... 9. Mobile : .....

10. Shareholder's /Proxy holder's *E-mail* : .....

11. Participation of the EGM Via an online platform: YES/NO

12. Name of Joint holder/s (If any) : 1) .....

2) .....

13. National Identity card number/s of Joint holder/s:

1)	2)

.....	.....	.....	.....	.....	.....
Shareholder's Signature	Date	1st Joint holder's Signature	Date	2nd Joint holder's Signature	Date

Note

- Shareholders are requested to provide their email address in the space provided in order to forward the web link if they wish to participate at the meeting through an online platform.
- In the case of a Company/Corporation, the shareholder details form must be under its Common Seal which should be afffixed and attested in the manner prescribed by its Article of Association.
- In the case of a shareholder details form signed by an Attorney, the Power of Attorney must be deposited at the Registered Office of the Company for registration.