

# MERCHANT BANK OF SRI LANKA & FINANCE PLC

## CIRCULAR TO SHAREHOLDERS

Dear Shareholder,

We wish to inform you that the Board of Directors of Merchant Bank of Sri Lanka & Finance PLC (MBSL) pursuant to a Resolution passed on 31<sup>st</sup> July 2020 has decided to convene an Extraordinary General Meeting (EGM) of the Company on 30<sup>th</sup> September 2020 at 10.00 a.m. at Sri Lanka Foundation Institute "Auditorium New Wing", No.100, Sri Lanka Padanama Mawatha, Independence Square, Colombo 07, for the purpose of considering and if thought fit, to pass a Special Resolution as set out in the Notice of EGM enclosed herewith, to amend Article 100 of the Articles of Association of Merchant Bank of Sri Lanka & Finance PLC.

**The existing Article 100 of the Articles of Association for the Appointment of Chairman/ Deputy Chairman is set out below, for your reference:**

*"The Board shall appoint, from and amongst the independent non-executive directors, the Chairman of the Board and may also remove a Chairman so appointed. The Board may also appoint from amongst the independent non-executive directors a Deputy Chairman of the Board and may determine the period for which he is to hold office and may also remove such Deputy Chairman so appointed. The Chairman or in his absence the Deputy Chairman so appointed shall preside as Chairman at meetings of the Board. If no Chairman or Deputy Chairman shall have been appointed, or if at any meeting the Chairman or Deputy Chairman be not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting."*

The present Article 100 as aforesaid prevents the Board from appointing a non-independent non-executive director as its Chairman. This limitation with regards to the independence criteria prevents MBSL from appointing any non-executive director who may be with adequate knowledge, industry expertise, capacity and leadership to chair the Board. In this context, it is prudent to amend the Articles of Association to facilitate the appointment of either an independent or a non-independent non-executive director as the Chairman of MBSL, in the best interests of the Company.

Furthermore, it is to be noted that Section 7(2) of the Finance Companies (Corporate Governance) Direction No. 3 of 2008 provides for the appointment of a non-independent non-executive director as Chairman of the Board subject to designating an independent non-executive director as Senior Director with suitably documented terms of reference to ensure a greater independence element.

In view of the above, it has been proposed to amend the Article 100 of the Articles of Association of MBSL in the following manner.

Article 100 – Appointment of Chairman/ Deputy Chairman

*The Board shall appoint, from and amongst the non-executive directors, the Chairman of the Board and may also remove a Chairman so appointed. In the event the Board appoints a non-independent non-executive director as its Chairman, the Board shall appoint a Senior Director from and amongst the independent non-executive directors with documented terms of reference. The Board may also appoint from and amongst the non-executive directors a Deputy Chairman of the Board and may determine the period for which he is to hold office and may also remove such Deputy Chairman so appointed. The Chairman or in his absence the Deputy Chairman so appointed shall preside as Chairman at meetings of the Board. If no Chairman or Deputy Chairman shall have been appointed, or if at any meeting the Chairman or Deputy Chairman be not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.*

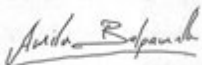
Please note that the Company has obtained regulatory approvals for the aforesaid amendment.

The Special Resolution to be passed by the shareholders approving the proposed amendment to Article 100 of the Articles of Association of MBSL is set out in the enclosed notice of EGM.

Shareholders who are unable to attend the EGM in person are required to complete the attached Form of Proxy and the duly completed Form of Proxy should be deposited with the Company Secretary at the Registered Office of MBSL at Bank of Ceylon Merchant Tower, No.28, St. Michael's Road, Colombo 03 not less than 48 hours before the time appointed for the holding of the EGM.

By Order of the Board,

**MERCHANT BANK OF SRI LANKA & FINANCE PLC**



**Company Secretary**

**Date: 08<sup>th</sup> September 2020**

# MERCHANT BANK OF SRI LANKA & FINANCE PLC

## NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (EGM) of Merchant Bank of Sri Lanka & Finance PLC (MBSL) will be held on 30<sup>th</sup> September 2020 at 10.00 a.m. at the Sri Lanka Foundation Institute "Auditorium New Wing", No.100, Sri Lanka Padanama Mawatha, Independence Square, Colombo 07, for the following purpose:-

Approval for the amendment of Articles of Association of Merchant Bank of Sri Lanka & Finance PLC (MBSL)

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:-

**RESOLVED THAT** the Article 100 of the Articles of Association be deleted in its entirety and to replace the said Article with the following:

Article 100 – Appointment of Chairman/ Deputy Chairman

*The Board shall appoint, from and amongst the non-executive directors, the Chairman of the Board and may also remove a Chairman so appointed. In the event the Board appoints a non-independent non-executive director as its Chairman, the Board shall appoint a Senior Director from and amongst the independent non-executive directors with documented terms of reference. The Board may also appoint from and amongst the non-executive directors a Deputy Chairman of the Board and may determine the period for which he is to hold office and may also remove such Deputy Chairman so appointed. The Chairman or in his absence the Deputy Chairman so appointed shall preside as Chairman at meetings of the Board. If no Chairman or Deputy Chairman shall have been appointed, or if at any meeting the Chairman or Deputy Chairman be not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.*

By Order of the Board

**MERCHANT BANK OF SRI LANKA & FINANCE PLC**



**Company Secretary**

08<sup>th</sup> September 2020

Colombo.

## NOTES:

1. A Form of Proxy is attached hereto, for use if necessary, in which event, it should be completed and returned to the Registered Office of the Company at Bank of Ceylon Merchant Tower, No. 28, St. Michael's Road, Colombo 3 not less than 48 hours before the time appointed for the holding of the meeting.
2. A Shareholder entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. The instrument appointing a proxy may be in writing under the hand of the appointer or of his/her Attorney, duly authorized in writing, or if such appointer is a corporation under its common seal or the hand of its Attorney or duly authorized person. The instrument appointing a proxy should be deposited together with the proxy at the Registered Office of the Company.

# **MERCHANT BANK OF SRI LANKA & FINANCE PLC**

## **GUIDELINES AND REGISTRATION PROCESS FOR THE EXTRAORDINARY GENERAL MEETING (EGM) TO BE HELD VIA ONLINE MEETING PLATFORM**

**ON 30<sup>TH</sup> SEPTEMBER 2020**

Dear Shareholders,

An Extraordinary General Meeting (EGM) of Merchant Bank of Sri Lanka & Finance PLC (MBSL) for the purpose of amending the Articles of Association of the Company will be held in accordance with the guidelines given by the Colombo Stock Exchange for conducting Virtual / Hybrid meetings.

The EGM is scheduled to be held on 30<sup>th</sup> September 2020 at 10.00 a.m. at the Sri Lanka Foundation Institute "Auditorium New Wing", No.100, Sri Lanka Padanama Mawatha, Independence Square, Colombo 07, on the assumption that there would be no restrictions imposed by the authorities on conducting meetings.

In the interest of protecting public health and facilitating social distancing in line with the guidelines issued by the authorities in view of the Covid-19 pandemic, the EGM will be held in the manner set out below;

- (i) The Chairman, members of the Board of Directors, the Acting Chief Executive Officer, Company Secretaries/Registrars, representatives from the Company Lawyers will be assembled at the place specified in paragraph (2) above for the purpose of hosting the meeting;
- (ii) Shareholders who wish to participate in the EGM are required to duly complete and forward the 'Registration Form' annexed to this notice (Annexure I) together with a copy of National Identity Card (NIC) or Passport of the shareholder/proxy holder to the e mail address: [dinushar@mbslbank.com](mailto:dinushar@mbslbank.com) or Fax to No. 0114711742 or post to the address given in the Registration Form to be received by the Company not less than 48 hours prior to the time fixed for the EGM;
- (iii) A maximum of fifty (50) shareholders or such number of shareholders together holding ten percent (10%) of the total voting shares of the Company, whichever is higher will be allowed to assemble physically and participate in the meeting at the place set out in paragraph (2) above either in person or by proxy. Arrangements will also be made for the shareholders to participate in the EGM via an online meeting platform;
- (iv) Once the duly completed Registration Forms together with NIC or Passport copies of the shareholders as mentioned in (ii) above are received by the Company, the shareholders who will be eligible to physically participate at the EGM will be selected. This selection is made through the Registration Forms on first come, first served basis. Upon the selection, MBSL will inform such shareholders of their eligibility to physically attend the EGM via e-mail in advance of the EGM. Other than the shareholders selected as aforesaid, no other shareholder is permitted to physically attend the EGM.

- (v) The shareholders/proxy holders who are eligible to attend the meeting physically as mentioned in (iv) above shall bring their NIC when attending to the EGM. They also need to comply with the health and safety precautions including temperature and health screening measures implemented by MBSL. The shareholders/proxy holders who fail to satisfy the health screen measures will not be permitted to attend to the EGM premises.
- (vi) All the other shareholders who are registered with MBSL as mentioned in (ii) above but do not qualify to attend the EGM physically or do not wish to attend to the EGM physically can attend the EGM via the online platform. The Company will forward to such shareholders the meeting log-in information via e-mail in advance of the EGM. The meeting log-in information is authorized only for the use by the shareholders/ proxy holders.
- (vii) All individuals participating at the meeting remotely through online platform are required to identify themselves when communicating online at the EGM.
- (viii) MBSL encourage shareholders to submit duly completed proxy forms appointing one of the Directors of MBSL to act on their behalf in order that each such shareholder may be identified and recorded as if such shareholder was present at the meeting.
- (ix) The shareholders who are unable to participate in the EGM could share their queries and matters, if any, in writing via e-mail to [dinushar@mbslbank.com](mailto:dinushar@mbslbank.com) or via Fax No. 0114711742. The responses from the Board of Directors and the Management to the queries/ matters will be forwarded to the shareholders by MBSL.
- (x) MBSL will be proceeding to hold the EGM as set out herein irrespective of whether it is declared as a holiday or curfew is imposed since the aforesaid measures will enable the required participation at the meeting.
- (xi) The shareholders are kindly requested to adhere to the following;
  - (1) It is mandatory for shareholders attending the EGM to wear a mask. You will not be permitted to the meeting without a mask.
  - (2) Please keep one (01) meter safety distance at the point of registration. Seating will be arranged keeping the said distance.
  - (3) Shareholders having fever with or without acute onset respiratory systems such as running nose, sore throat and or shortness of breath should not attend the meeting.

*Note:*

*For any queries regarding this guidelines, please contact Ms. Dinusha Rajapaksha on 0114 711711 Ex.1667 OR 0114 711777 during normal working hours (8.30 a.m. to 500p.m.)*

## FORM OF PROXY

I/We.....  
of.....  
being a shareholder/ shareholders of the Merchant Bank of Sri Lanka & Finance PLC (MBSL),  
hereby appoint ..... of  
..... whom failing  
..... of  
..... whom failing (Mr.  
A M A Perera/Mr. W P R P H Fonseka/Mr. D N L Fernando/Mr. C Amarasinghe/Mr. W N P  
Surawimala/Dr. N S Punchihewa) as \*my/our Proxy, to represent \* me/us, and ...\*.....  
to vote on \*my/our behalf at the Extraordinary General Meeting of the  
Company to be held at the ..... on ..... at  
..... a.m. and at any adjournment thereof and at every poll which may be taken in consequence  
thereof. \*I/We the undersigned hereby authorize my/our Proxy to vote on \*my/our behalf in  
accordance with the preference indicated below:

**For** **Against**

Approval for the amendment of Article 100 of the Articles of  
Association of Merchant Bank of Sri Lanka & Finance PLC (MBSL)

☐☐

To consider and if thought fit, to pass the following resolution as a  
**Special Resolution:-**

**RESOLVED THAT** the Company amends Article 100 of the Articles of  
Association by deleting in its entirety and to replace the said Article to  
be read as follows:

**Article 100 – Appointment of Chairman/ Deputy Chairman**

The Board shall appoint, from and amongst the non-executive  
directors, the Chairman of the Board and may also remove a Chairman  
so appointed. In the event the Board appoints a non- independent  
non-executive director as its Chairman, the Board shall appoint a  
Senior Director from and amongst the independent non-executive  
directors with documented terms of reference. The Board may also  
appoint from and amongst the non-executive directors a Deputy  
Chairman of the Board and may determine the period for which he is to  
hold office and may also remove such Deputy Chairman so appointed.  
The Chairman or in his absence the Deputy Chairman so appointed  
shall preside as Chairman at meetings of the Board. If no Chairman or  
Deputy Chairman shall have been appointed, or if at any meeting the  
Chairman or Deputy Chairman be not present within fifteen (15)  
minutes after the time appointed for holding the same, the Directors  
present may choose one of their number to be Chairman of the meeting.

Signed this.....day of.....Two Thousand and Twenty.

.....  
Signature

**Notes:**

1. Please delete the words which are not applicable.
2. Please indicate with an 'X' in the space provided how your proxy is to vote. If there is in the view of the proxy holder (doubt by reason of the way in which the instructions contain in the proxy have been completed) as to the way in which the proxy holder should vote, the proxy holder shall vote as he thinks fit.
3. If you wish your proxy to speak at the meeting, you should instruct the words "to speak and" in the space indicated with an asterisk.
4. A proxy holder need not be a shareholder of the Company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the Meeting.
5. Instructions as to completion of the Form of Proxy is given on the reverse hereof.

## **INSTRUCTIONS AS TO THE COMPLETION OF THE FORM OF PROXY**

1. To be valid, this form of proxy must be deposited at the Registered Office of the Company Bank of Ceylon Merchant Tower, No. 28, St. Michael's Road, Colombo 3 not less than 48 hours before the time appointed for the holding of the Annual General Meeting.
2. Kindly perfect the form of proxy after filling legibly your full name and address by signing in the space provided and filling in the date of signature.
3. Please indicate your preference with "X" in the appropriate cages provided in the form of proxy, as to how your proxy is to vote on the resolutions. If no indication is given the proxy in his / her discretion may vote as he / she thinks fit.
4. The instrument appointing a proxy may be in writing under the hand of the appointor or of his/her Attorney, duly authorized in writing, or if such appointor is a corporation under its Common Seal or under the hand of its Attorney or duly authorized person. If the form of proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed form of proxy, if it has not already been registered with the Company.

MERCHANT BANK OF SRI LANKA & FINANCE PLC  
EXTRAORDINARY GENERAL MEETING - 30<sup>TH</sup> SEPTEMBER 2020  
**REGISTRATION FORM**

To: The Company Secretary  
Merchant Bank of Sri Lanka & Finance PLC  
Bank of Ceylon Merchant Tower  
No. 28, St. Michael's Road  
Colombo 03

|                                                                                                                 |                                                                        |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Full Name of the Shareholder<br>(In the event of joint shareholders, please mention the name of primary holder) |                                                                        |
| Address of the Shareholder                                                                                      |                                                                        |
| Shareholder's NIC No./Passport No./Company Registration Number                                                  |                                                                        |
| Telephone Number                                                                                                | Mobile:<br>Landline:                                                   |
| E mail Address:                                                                                                 |                                                                        |
| Preference in participation (Please indicate)                                                                   | In Person <input type="checkbox"/> Via Online <input type="checkbox"/> |
| <b>IF A PROXY IS APPOINTED</b>                                                                                  |                                                                        |
| Full Name of the proxy holder                                                                                   |                                                                        |
| Proxy holder's NIC No./Passport No.                                                                             |                                                                        |
| Telephone Number                                                                                                | Mobile:<br>Landline:                                                   |
| E mail Address                                                                                                  |                                                                        |

.....  
Shareholder's signature

Date: .....

*Notes:*

- In the case of a Company/Corporation, this form should be attested in the manner prescribed by its Articles of Association.*
- If this form is signed by an Attorney for and on behalf of a shareholder, notarial copy of the Power of Attorney registered in the Books of the Company should be attached.*