

COMMERCIAL BANK OF CEYLON PLC

(Company Registration No. PQ 116)

“Commercial House”, 21, Sir Razik Fareed Mawatha,
Colombo 1

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Commercial Bank of Ceylon PLC (the “Bank”) will be held on Friday, October 6, 2023 at 2.30 p.m. at ‘The Balmoral’ – The Kingsbury Hotel, No. 48, Janadhipathi Mawatha, Colombo 01 for the purpose, of obtaining approval in respect of A. Debenture Issue 2023 and B. Employee Share Option Plan 2023: -

A. DEBENTURE ISSUE 2023

1. Resolution No: 1 Debenture 2023 - Approval for the proposed issue of Debentures in terms of Rule 2.2.1.m. of the Listing Rules of Colombo Stock Exchange

To consider and if thought fit to pass the following resolution by way of a Special Resolution pertaining to the approval of the proposed issue of Debentures in terms of Rule 2.2.1.m. of the Listing Rules of Colombo Stock Exchange (To be passed by the Ordinary Voting Shareholders):-

THAT the Board of Directors (the “Board”) of Commercial Bank of Ceylon PLC (the “Bank”) be and is hereby authorized:

- (i) To issue and allot up to One Hundred and Twenty Million (120,000,000) fully paid, Basel III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable Debentures (“Debentures”) with a Non-Viability Conversion feature at such interest rates as may be determined by the Board at the time of issue at a par value of Rs. 100/- each for tenures of 5 years, 7 years and 10 years and that Ordinary Voting Shares of the Bank be issued to the holders of such Debentures to the extent of the amounts due and payable on such Debentures (i.e. capital sum paid on the Debentures plus outstanding interest) in the event the Monetary Board of the Central Bank of Sri Lanka determines that a Trigger Event which warrants the conversion of Debentures to Ordinary Voting Shares as defined in the Circular to Shareholders dated September 12, 2023 pertaining to the proposed issue of Debentures has occurred; and

- (ii) To issue upon the occurrence of a Trigger Event, Ordinary Voting Shares to the holders of the Basel III compliant Debentures at the Conversion Price with such price being determined based on the simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank as published by the Colombo Stock Exchange during the three (03) month period immediately preceding such Trigger Event;

- (iii) To issue upon the occurrence of a Trigger Event such Ordinary Voting Shares to the holders of the Debentures on the aforesaid basis in lieu of the amounts due and payable on the relevant Debentures (i.e. capital sum paid on the Debentures plus outstanding interest) without such Shares being offered in the first instance to the then existing Ordinary Voting Shareholders of the Bank pari passu to their shareholding subject to regulatory approvals from, namely, the Central Bank of Sri Lanka and the Colombo Stock Exchange. Such Ordinary Voting Shares arising from the Non-Viability Conversion will be listed on the Colombo Stock Exchange.

2. Resolution No: 2 Debenture 2023 - Waiver of Pre-emption Rights to New Shares to be issued under Debenture Issue 2023 to parties, other than existing shareholders

Subject to the passing of the Special Resolution set out under Resolution No.1 above, to consider and if thought fit to pass the following resolution by way of an Ordinary Resolution pertaining to the waiver of pre-emptive rights (To be passed by the Ordinary Voting Shareholders): -

THAT the pre-emptive right to a new issue of Shares provided for by Article 9 A of the Articles of Association of Commercial Bank of Ceylon PLC (the ‘Bank’), be and is hereby waived in respect of the relevant number of Ordinary Voting Shares to be issued by the Bank to the holders of the said fully paid, Basel III Compliant – Tier

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2 Listed Rated Unsecured Subordinated Redeemable Debentures (“Debentures”) with a Non-Viability Conversion feature, to the extent of the amounts due and payable on such Debentures (i.e. capital sum paid on the Debentures plus outstanding interest) in the event the Monetary Board of the Central Bank of Sri Lanka determines that a Trigger Event which warrants the conversion of Debentures to Ordinary Voting Shares as defined in the Circular to Shareholders dated September 12, 2023 pertaining to the proposed issue of Debentures has occurred, which Shares shall be issued at the Conversion Price determined based on the simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank as published by the Colombo Stock Exchange during the three (03) month period immediately preceding such Trigger Event.

3. Resolution No: 3 Debenture 2023 - Approval under Section 99 of the Companies Act No.07 of 2007 and Article 10 of the Articles of Association of the Bank in relation to the Debenture Issue 2023

Subject to the passing of the Special Resolution set out under Resolution No.1 above, to consider and if thought fit to pass the following resolution by way of a Special Resolution by both the Ordinary Voting Shareholders as well as the Ordinary Non-Voting Shareholders in order to obtain approval for the issuance of Ordinary Voting Shares in pursuance of Article 10 of the Articles of Association of the Bank and Section 99 of the Companies Act No.07 of 2007 (as amended): -

THAT the prospective allotment and issue of new Ordinary Voting Shares by Commercial Bank of Ceylon PLC (the ‘Bank’) to the holders of the said fully paid, Basel III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable Debentures (“Debentures”) with a Non-Viability Conversion feature, to the extent of the amounts due and payable on such Debentures (i.e. capital sum paid on the Debentures plus outstanding interest) which will be effected in the event the Monetary Board of the Central Bank of Sri Lanka determines that a Trigger Event which warrants the conversion of Debentures to Ordinary Voting Shares as defined in the Circular to Shareholders dated September 12, 2023 pertaining to the proposed issue of Debentures has occurred, which Shares shall be issued at the Conversion Price and credited to the holders of the Debentures as fully paid Ordinary Voting Shares which shall rank equal and pari passu with the then existing issued and fully paid Ordinary Voting Shares of the Bank including the right to participate in any dividend which may be declared after the date of allotment of such Shares be and is hereby approved in pursuance of Section 99 of the Companies Act No. 07 of 2007 (as amended) and Article 10 of the Articles of Association of the Bank.

B. EMPLOYEE SHARE OPTION PLAN 2023 (ESOP 2023)

1. Resolution No: 1 ESOP 2023: Establishment of the ESOP 2023

To consider and if thought fit to pass the following resolution by way of a Special Resolution (To be passed only by the ordinary (voting) shareholders): -

THAT the Employee Share Option Plan – 2023 as detailed out in the ‘Circular to the Shareholders – Employee Share Option Plan (ESOP) – 2023’ dated September 12, 2023 be established by Commercial Bank of Ceylon PLC subject to and based on the terms and conditions stated therein.

2. Resolution No: 2 ESOP 2023: Waiver of Pre-emption Rights to New Shares to be issued under ESOP 2023 to parties, other than existing shareholders

To consider and if thought fit to pass the following resolution by way of an Ordinary Resolution (To be passed only by the ordinary (voting) shareholders): -

THAT the Board of Directors of Commercial Bank of Ceylon PLC [the “Company”] be and is hereby empowered and authorized to allot and issue from time to time new ordinary voting shares under and in pursuance of the Employee Share Option Plan (ESOP) – 2023, established in terms of the ‘Circular to Shareholders – Employee Share Option Plan (ESOP) – 2023’ dated September 12, 2023, subject to and based on the terms and conditions stated therein, and accordingly the pre-emptive rights of the Shareholders in relation to new share issues and the consequent necessity to offer such new shares first to the Company’s Shareholders pro-rata to their existing shareholding and in a manner which would, if accepted, maintain the relative voting and distribution rights of such Shareholders be and is hereby waived in pursuance of Article 9 A of the Company’s Articles of Association.

3. Resolution No: 3 ESOP 2023: Approval under Section 99 of the Companies Act No.07 of 2007 and Article 10 of the Articles of Association of the Bank in relation to the ESOP 2023

To consider and if thought fit to pass the following resolution by way of a Special Resolution (To be passed by a separate vote of the ordinary (voting) shareholders and of the ordinary (non-voting) shareholders, respectively):

THAT the allotment and issue as may occur from time to time of new ordinary voting shares by the Board of Directors of Commercial Bank of Ceylon PLC [the “Company”] under and in pursuance of the Employee Share Option Plan (ESOP) – 2023, established in terms of the ‘Circular to Shareholders – Employee Share Option Plan (ESOP) – 2023’ dated September 12, 2023 subject to and based on the terms and conditions stated therein, be and is hereby approved for purposes of Section 99 of the Companies Act No.7 of 2007 and Article 10 of the Articles of Association of the Company; and

THAT accordingly the Company’s Management be and is hereby authorized to take all necessary steps to give effect to the above.

By order of the Board of
Commercial Bank of Ceylon PLC



R A P Rajapaksha
Company Secretary
Colombo

September 12, 2023

Notes: -

- (i) A Shareholder entitled to attend, speak and vote at the meeting is entitled to appoint a Proxyholder to attend, speak and vote in his/her stead and a Shareholder who is entitled only to attend and speak at the meeting is entitled to appoint a Proxyholder to attend and speak on his/her behalf. A Proxyholder need not be a Shareholder of the Company.
- (ii) A form of Proxy is sent along with this Notice. 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 48 hours before the time appointed for the holding of the Meeting.