

OFFER DOCUMENT

OFFER BY

UNION BANK OF COLOMBO PLC – PB 676 PQ

TO REPURCHASE

UP TO A MAXIMUM OF 7,851,844 ORDINARY SHARES

AT LKR 15.00 PER SHARE

FROM THE SHAREHOLDERS OF UNION BANK OF COLOMBO PLC

AS AT END OF TRADING ON 11TH JUNE 2019

**THIS DOCUMENT IS IMPORTANT AND WARRANTS YOUR
IMMEDIATE AND CAREFUL CONSIDERATION**

If you are in doubt as to the action you should take, and/or regarding any implications arising therefrom (including taxation), you should consult your stockbroker or other professional advisor immediately.

If you have any queries as to the completion of the "Form of Acceptance" or other documents, please contact Corporate Services (Private) Limited, Registrars to the Offer, 216, de Saram Place, Colombo 10 on Telephone: 011-4605127, 011-4605192, 011-4605164, 011-4605197 or 011-4605182 for assistance.

TABLE OF CONTENTS

1.	DEFINITIONS	3
2.	BACKGROUND TO THE OFFER	5
3.	COMPLIANCE WITH STATUTORY PROCEDURE	5
4.	TERMS OF THE OFFER	8
5.	PROCEDURE FOR ACCEPTANCE	9
6.	PAYMENT OF CONSIDERATION	14
7.	TAX IMPLICATIONS ON SHARE REPURCHASE	15
8.	DECLARATION BY THE DIRECTORS OF UNION BANK OF COLOMBO PLC	16
ANNEXURE I - INSTRUCTIONS FOR COMPLETION OF FORM A AND FORM B		17
ANNEXURE II – DECLARATION OF AFFIDAVIT		19
ANNEXURE III – DECLARATION OF INDEMNITY		20

DEFINITIONS

Act	Companies Act No. 07 of 2007
Articles of Association	Articles of Association of Union Bank of Colombo PLC
Auditors	Messers Ernst & Young, the Auditors of Union Bank of Colombo PLC
AWPLR	Average Weighted Prime Lending Rate
Board	Board of Directors of Union Bank of Colombo PLC
CDS	Central Depository System (Private) Limited
Closing Date	Date on which the Offer to Eligible Shareholders will cease, i.e. 11 th July 2019
CSE	Colombo Stock Exchange
Eligible Shareholder(s)/Offeree(s)	Holders of ordinary shares of Union Bank of Colombo PLC listed in the shareholder's ledger of Union Bank of Colombo PLC and in CDS as at the end of trading on 11 th June 2019
EGM	Extraordinary General Meeting
Form of Acceptance/Form	Form of acceptance for the Offer, that constitutes part of the Offer Document through which the Eligible Shareholders may accept the Offer
Market Day	Any day on which CSE is open for trading
The Bank/UBC/Offeror	Union Bank of Colombo PLC
Non-Resident Shareholder(s)	An Eligible Shareholder who being an individual, is not a resident of Sri Lanka, or an Eligible Shareholder who being a corporate body, has been incorporated outside Sri Lanka.
Offer	The offer made by the Bank by this document.
Offer Document	This document dated 12 th June 2019 by which the Offer is made including the "Form of Acceptance", "Form for additional shares" and annexures to this document
Opening Date	27 th June 2019
Registrars to the Offer	Corporate Services (Private) Limited
LKR	Sri Lankan Rupees, the lawful currency of Sri Lanka
SEC	Securities and Exchange Commission of Sri Lanka

Singular/Plural – Words importing the singular shall, where applicable, include the plural and *vice versa*.

Genders - Words importing the masculine gender shall, where applicable, include the feminine and the neuter gender. References to persons shall, where applicable, include corporations.

Headings – The headings in the Offer Document are inserted for convenience only and shall be ignored in construing the Offer Document.

Eligible Shareholders – References to “you”, “your” and “yours” in the Offer Document are, as the context so determines, to Eligible Shareholders.

Statutes – Any reference in the Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any modification thereof and used in the Offer Document shall, where applicable, have the meaning assigned to that word under the Act or that modification, as the case may be.

Time and Date – Any reference to a time of day and date in the Offer Document shall be a reference to a Sri Lankan time and date, unless otherwise specified.

1. BACKGROUND TO THE OFFER

As informed to the shareholders via circular dated 17th May 2019, the Board of Directors of the Bank is of the view that the market value of the listed shares of UBC as reflected by the price of shares being traded in the Colombo Stock Exchange is undervalued at present and does not represent the growth prospects of UBC. The closing price of the listed shares of the Bank as at 25th March 2019, the date on which the resolution set out below was passed by the Board, was LKR 11.70 per share when its book value as per the audited financial statements as at 31st December 2018 was LKR 15.23.

As part of the efforts to improve the price of the Bank's shares to reflect its true underlying value and consequently improve the returns to the shareholders of the Bank comprising over 31,000 institutional and individual shareholders, the Board of Directors resolved on 25th March 2019 to repurchase up to a maximum of 7,875,798 of its ordinary shares from and out of the 1,091,406,249 issued ordinary shares of UBC held by its shareholders, amounting to 0.72% of the issued shares of the Bank (which number was later reduced by board resolution dated 7th May 2019 to 7,851,844 ordinary shares, amounting to 0.72% of the issued shares), at a consideration of Rupees Fifteen (Rs.15/-) per share, subject to obtaining shareholder approval and all other approvals under applicable law.

As at 31st December 2018, the stated capital of UBC is Rs. 16,334,782,000/- consisting of 1,091,406,249 ordinary shares. The above repurchase of shares would only reduce the number of shares in issue to the extent the Offer is accepted by the Eligible Shareholders and would not amount to any reduction of the stated capital of UBC.

Through this Offer Document, the shareholders of the Bank who may wish to accept the Offer are given the opportunity to do so. The details of the Offer are more fully described in subsequent sections of this Offer Document.

2. COMPLIANCE WITH STATUTORY PROCEDURE

The repurchase of shares by UBC is carried out in accordance with the applicable provisions set out in the Act, Listing Rules of the CSE, the Articles of Association and the Banking Act No. 30 of 1988 and regulations issued thereunder.

Article 13 of the Articles of Association of the Bank authorises the Bank to purchase or otherwise acquire any of its own shares in accordance with the provisions of the Act.

The Monetary Board has granted approval for the Bank to repurchase shares from existing shareholders, subject to the following conditions:

- (a) CHFL's shareholding in the Bank shall not exceed 75% of the Bank's issued shares;
- (b) The total value of the repurchase amount shall not exceed 25% of the audited profits for 2018;
- (c) The maximum number of shares to be repurchased from the Bank's shareholders shall be limited to 1% of the existing total number of shares;
- (d) The Bank shall not distribute any dividends from the profit of the Bank for the year 2018;
- (e) The Bank shall obtain approval from any other relevant regulatory entities and the consent of the shareholders for the repurchase of its shares;
- (f) The Bank shall complete the share repurchase under reference within 6 months from the date of grant of approval therefor, by the Central Bank of Sri Lanka.

As required by Section 64(2) of the Act, the Board of Directors of the Bank has resolved that,

- (i) the acquisition of the said 7,851,844 Ordinary Shares at a consideration of Rupees Fifteen (Rs.15/-) per share is in the interest of the Bank;
- (ii) the terms of the offer and the consideration to be paid for the shares is, in the opinion of the Bank's Auditors, a fair value;
- (iii) other than the matter set out in the subsequent paragraph, the Board is not aware of any information that has not been disclosed to shareholders which is material to an assessment of the value of the shares and as a result of which the terms of the offer or consideration offered for the shares are unfair to shareholders accepting the offer;
- (iv) the Bank disclose to the shareholders that by letter dated 12th March 2019, issued by the Bank Supervision Department of the Central Bank of Sri Lanka, the major shareholder of the Bank, Culture Financial Holdings Limited ("CFHL") is entitled to increase its shareholding up to 75% of the issued shares of the Bank (in terms of the letter dated 6th August 2014 of the Central Bank of Sri Lanka), by acquiring shares from the market, without exercising the warrants issued by the Bank or to exercise the warrants if CFHL cannot acquire 75% of the issued shares of the Bank from the market; and in light of this fact, CFHL will not accept an offer made by the Bank for the repurchase of its shares;

The Board further resolved on 25th March 2019 that where a shareholder does not accept the Offer or accepts the Offer only in part, the Bank will re-purchase additional shares from any shareholder; and in the event the number of such additional shares exceeds the maximum number of shares that the Bank intends to re-purchase, the number of additional shares that will be repurchased by the Bank shall be reduced on a pro-rata basis. In other words, where a shareholder does not accept the Offer or accepts the Offer only in part, the Bank will re-purchase additional shares from any other shareholder, on a pro-rata basis, up to the maximum number of shares that the Bank intends to re-purchase.

The Board further resolved on 25th March 2019 that the Board is satisfied that the Bank would satisfy the solvency test as defined in Section 57 of the Act immediately after the distribution of Rupees One Hundred and Eighteen Million One Hundred and Thirty Six Thousand Nine Hundred and Seventy (Rs.118,136,970/-) (which amount was later reduced to Rupees One Hundred and Seventeen Million Seven Hundred and Seventy Seven Thousand Six Hundred and Sixty (Rs.117,777,660/-) pursuant to the reduction of the number of shares to be repurchased under the Offer to 7,851,844 ordinary shares by board resolution dated 7th May 2019) upon the repurchase of its shares under reference and the directors have accordingly signed a certificate setting out such opinion in terms of section 56 of the Act. Further, a Certificate of Solvency has been obtained from the Auditors of the Bank certifying that the Bank will satisfy the solvency test immediately upon the payment of the consideration for the repurchase of shares.

In terms of section 63(3) of the Act, the Shares that are repurchased by the Bank under this Offer will be deemed to be cancelled immediately upon such repurchase.

The repurchase of shares under reference is not a major transaction of the Bank in terms of section 185 of the Companies Act No. 7 of 2007.

A disclosure was duly made to the CSE in terms of Rule 7.11.1 (d) of the Listing Rules of the CSE with regard to the Board's decision dated 25th March 2019 to implement a repurchase subject to obtaining all necessary approvals under applicable law.

In terms of Rule 7.11.1(e)(ii) of the Listing Rules of CSE, the payment of consideration to Eligible Shareholders accepting the Offer will be made within 10 Market Days from the Closing Date (excluding the Closing Date), i.e. on or before 26th July 2019.

At the Extraordinary General Meeting (EGM) held on 11th June 2019, the Board of Directors obtained the approval of the shareholders by way of an ordinary resolution to distribute up to a maximum of One Hundred and Seventeen Million Seven Hundred and Seventy Seven Thousand Six Hundred and Sixty (Rs.117,777,660/-) as consideration for the repurchase of shares from the shareholders who accept the Offer.

The Bank, subsequent to obtaining the approval of the Securities and Exchange Commission of Sri Lanka (SEC) and making the payment of consideration to all Eligible Shareholders as stated in the preceding paragraph, shall file a declaration with the CSE, in terms of Rule 7.11.1.(f) of the Listing Rules of CSE confirming the following details and request CSE to record the cancellation of the repurchased shares:

- (i) number of shares in issue prior to the repurchase;
- (ii) number of shares repurchased;
- (iii) number of shares in issue and stated capital of the Company subsequent to the repurchase;

- (iv) the CDS account to which the shares were repurchased (for the purpose of cancelling the shares repurchased).

Thereupon, the CSE will make an announcement in the market, on the above details.

3. TERMS OF THE OFFER

This Offer is made by the Bank to the Eligible Shareholders subject to the following terms and conditions.

Maximum number of shares to be repurchased	7,851,844 ordinary shares
Price at which shares are to be repurchased	LKR 15.00 per ordinary share
Proportion in which shares are to be repurchased	one (1) ordinary share for every one hundred and thirty nine (139) ordinary shares held by the Eligible Shareholders
Opening Date of the Offer	27 th June 2019
Closing Date of the Offer	11 th July 2019
Payment for shares repurchased	Within 10 Market Days from the Closing Date (excluding the Closing Date), i.e. on or before 26 th July 2019

If the number of shares subject to the Offer made to any shareholder, when calculated based on the above ratio, is not a whole number, such number would be rounded down to the nearest whole number. Any fractional shares arising based on the aforesaid proportion will be aggregated and reserved for repurchase under the repurchase of additional shares.

By letter dated 12th March 2019, issued by the Bank Supervision Department of the Central Bank of Sri Lanka, the major shareholder of the Bank, Culture Financial Holdings Limited ("CFHL") is entitled to increase its shareholding up to 75% of the issued shares of the Bank (in terms of the letter dated 6th August 2014 of the Central Bank of Sri Lanka), by acquiring shares from the market, without exercising the warrants issued by the Bank or to exercise the warrants if CFHL cannot acquire 75% of the issued shares of the Bank from the market. In light of this fact, CFHL has informed the Bank that it will not accept the Offer.

Subsequent to the disclosure made by the Bank to the Colombo Stock Exchange ("CSE") on 27th March 2019 with regard to the Offer, Mr. Alexis Indrajit Lovell and Vista Knowledge Pte Ltd., have informed the Bank in writing that they will not accept the said offer to be made by the Bank for the repurchase of his/its shares.

Accordingly, a total of three shareholders, namely, CFHL, Mr. Alexis Indrajit Lovell and Vista Knowledge Pte Ltd., holding an aggregate number of 853,033,616 shares representing 78.16% of the issued shares in the Bank have informed the Bank that the Offer will not be accepted by them.

3.1 Repurchase of Additional Shares

The Eligible Shareholders will also have the opportunity to tender additional shares over and above their pro-rata entitlement for repurchase by UBC. The Board of UBC may at its discretion, decide the maximum number of shares to be repurchased from the additional shares tendered by the shareholders, in the event there are any shares available for repurchase as a result of any of the shareholders not accepting the Offer in full.

In the event the total number of such additional shares tendered by shareholders exceeds the maximum number of additional shares that UBC is willing to repurchase, the number of such additional shares to be repurchased from each shareholder will be determined on a pro-rata basis. In any event, the maximum number of shares to be repurchased (including the additional shares) pursuant to the proposed repurchase will not exceed 7,851,844 (i.e. the maximum number of shares available for repurchases).

An Eligible Shareholder tendering any additional shares for repurchase will be deemed to have accepted such number of shares as UBC determines that it will acquire from such shareholder in terms of this Offer.

In the event any Eligible Shareholder holds less than one hundred and thirty nine (139) shares, such shareholder will not be entitled to submit an acceptance by completing FORM A – “Form of Acceptance” under the Offer. However, such Eligible Shareholder may still tender for repurchase any ordinary shares held by such shareholder under the repurchase of additional shares by completing FORM B – “Form for Additional Shares.”

Assuming all Eligible Shareholders (other than CFHL, Mr. Alexis Indrajit Lovell and Vista Knowledge Pte Ltd.) accept the Offer (“remaining shareholders”), the Bank will be able to distribute among the remaining shareholders, an aggregate sum of Rupees One Hundred and Seventeen Million Seven Hundred and Seventy Seven Thousand Six Hundred and Sixty (Rs.117,777,660/-) by re-purchasing from each remaining shareholder, the number of shares offered to be repurchased by the Bank under the Offer and any additional shares tendered by the said remaining shareholders at the same consideration of Rupees fifteen (Rs. 15/-) per share, subject to the maximum number of shares the Bank intends to purchase.

4. PROCEDURE FOR ACCEPTANCE

Acceptance of the Offer should be made by completing FORM A – “Form of Acceptance”, which is forwarded together with this Offer Document.

Eligible Shareholders should note that the Offer is only being made for repurchase of shares on a pro-rata basis of one (1) ordinary share for every one hundred and thirty nine (139) ordinary shares held by Eligible Shareholders and that the Bank will only repurchase any

additional shares tendered by any Eligible Shareholder in its absolute discretion and may not repurchase any such additional shares at all.

Any Eligible Shareholder who wishes to tender additional shares over and above their pro-rata entitlement under the Offer must complete and return FORM B – “Form for Additional Shares” specifying the number of additional shares that he wishes to tender.

If any of the Eligible Shareholders do not accept the Offer in full, and as a result the total number of shares accepted by Eligible Shareholders by completing FORM A is less than 7,851,844, the Bank may acquire any number of shares out of the additional shares tendered by the Eligible Shareholders. In the event the total number of such additional shares tendered by Eligible Shareholders exceeds the maximum number of additional shares that the Bank is willing to repurchase, the number of such additional shares to be purchased from each Eligible Shareholder who has tendered additional shares will be reduced on a pro-rata basis.

All Eligible Shareholders who wish to accept the Offer made by the Bank must complete and return the “Form of Acceptance”, in terms of Section 4.1.

Section 4.1 below will not be applicable to the Eligible Shareholders who do not wish to accept the Offer.

4.1 Acceptance of the Offer

The Eligible Shareholders who wish to accept the Offer in full or part of their entitlement under the Offer and/or tender additional shares should follow all the instructions specified herein and in Annexure I when completing the respective forms (FORM A and/or FORM B).

(a) If UBC shares are held in certificate form

FORM A relating to the acceptance of the Offer and if an Eligible Shareholder wishes to tender any additional shares for repurchase, **FORM B** should be duly completed and sent along with the original share certificate(s) (and/or other document(s) in title accompanied by an affidavit and an indemnity, in the event you have lost your share certificate) by courier or post or by hand to reach the Registrars to the Offer, Corporate Services (Private) Limited at 216, de Saram Place, Colombo 10 during the offer period (i.e. from 27th June 2019 to 11th July 2019) in any event not later than 4.30 p.m. on the Closing Date. Please refer Section 4.4 for further details.

Eligible Shareholders who have lost/misplaced their share certificates and/or other documents of title or where such documents of title are not readily available, may nevertheless complete the forms (FORM A and/or FORM B) and forward the same along with a Declaration of Affidavit (refer Annexure II) and an Indemnity (refer Annexure III) by courier or post or by hand to reach Registrars to the Offer, Corporate Services (Private) Limited at 216, de Saram Place, Colombo 10 during the offer period (i.e. from 27th June 2019 to 11th July 2019)

in any event not later than 4.30 p.m. on the Closing Date. Please refer Section 4.4 for further details.

Please note that as per the Directive of the Securities and Exchange Commission made under Circular No 08/2010 dated 22nd November 2010 and Circular No 13/2010 issued by the Central Depository System (Private) Limited dated 30th November 2010, all shares of the Bank must be directly uploaded to CDS accounts. As such, shareholders whose shares are registered only in the share register maintained by the Bank, will not be issued share certificates for the balance shares they hold subsequent to the completion of the Offer. Such remaining shares after the Offer, will be registered in the Share Register maintained by the Bank under the respective name of the Eligible Shareholders until such time a valid CDS account is opened by the Eligible Shareholders of the Bank. Therefore, Eligible Shareholders who hold shares in certificate form are advised to open a CDS account and send a written request to the Company Secretary, Union Bank of Colombo PLC, No. 64, Galle Road, Colombo 3 to upload such shares to the CDS. Direct uploads pertaining to written requests received from Eligible Shareholders to deposit such shares will be carried out on a weekly basis after the work pertaining to the Offer has been completed.

(b) If shares are deposited with the CDS

FORM A relating to the acceptance of the Offer and if an Eligible Shareholder wishes to tender for repurchase, any additional shares, FORM B should be duly completed and returned through your stockbroker or the custodian bank who in turn will forward same directly to the CDS during the offer period (i.e. from 27th June 2019 to 11th July 2019) and in any event not later than 4.30 p.m. on the Closing Date for onward transmission to, Corporate Services (Private) Limited at 216, de Saram Place, Colombo 10. Please refer Section 4.4 for further details.

If an Eligible Shareholder accepting the Offer, holds his shares in the “locked balance” of the CDS, it is advised to sign and execute CDS form 6(A) issued by the CDS and available with the stockbroker/custodian bank, expressing his consent to the transfer of shares for which the repurchase is to be made, from the “locked balance” to the “trading balance” of his CDS account and instruct the respective stockbroker/CDS in that regard. Duly completed CDS form 6(A) should also be returned to the stockbroker or the custodian bank along with the forms (FORM A and/or FORM B), who in turn will forward it directly to the CDS on or before 4.30 p.m. on the Closing Date for onward transmission to Corporate Services (Private) Limited at 216, de Saram Place, Colombo 10.

If an Eligible Shareholder holds shares in multiple CDS accounts, only one set of forms (FORM A and/or FORM B) will be mailed to the respective Eligible Shareholder for his total holding in multiple CDS accounts and he must indicate on the forms (FORM A and/or FORM B) the CDS account from which the shares should be repurchased.

In the event an Eligible Shareholder wishes to accept the Offer and one CDS account does not hold the entire quantity, he must use separate forms (FORM A and/or FORM B) for the shares

in each CDS account through which he wishes the shares to be repurchased. The use of photocopies of the original forms (FORM A and/or FORM B) is permitted for this purpose.

The Bank does not have a responsibility to verify whether the Eligible Shareholder has sufficient number of shares in each of such accounts to accept the Offer and the Bank shall only abide by the instructions as given above. In the event the aforementioned instructions are not followed by the Eligible Shareholder, the Bank may reject such forms (FORM A and/or FORM B).

(c) If shares are deposited partly with the CDS and partly held in certificate form

If an Eligible Shareholder holds shares of the Bank both through a physical share certificate and through CDS account(s), two separate forms (FORM A and/or FORM B) will be mailed to the Eligible Shareholder. The Eligible Shareholder is required to complete separate forms (FORM A and/or FORM B) for each such holding and forward the forms as stated in (a) and (b) above.

If an Eligible Shareholder accepting the Offer, holds part of his shares in the “locked balance” of the CDS, it is advised to sign and execute form CDS 6(A) issued by the CDS and available with the stockbroker/custodian bank, expressing his consent to the transfer of shares for which the repurchase is to be made, from the “locked balance” to the “trading balance” of his CDS account and instruct the respective stockbroker/CDS in that regard. Duly completed form CDS 6(A) should also be returned to the stockbroker or the custodian bank along with the forms (FORM A and/or FORM B), who in turn will forward it directly to the CDS on or before 4.30 p.m. on the Closing Date for onward transmission to Corporate Services (Private) Limited, Registrars to the Offer at 216, de Saram Place, Colombo 10.

4.2 Trading of shares during the Offer Period.

During the offer period (i.e. from 27th June 2019 to 11th July 2019), Eligible Shareholders accepting the Offer, whose shares are deposited in the CDS, will NOT be permitted to trade in the number of shares for which they have accepted the Offer, including the number of additional shares tendered.

In the event the total number of additional shares tendered exceeds the maximum number of additional shares repurchased by the Bank subsequent to the closure of the Offer, the balance shares will be credited back to the shareholder’s CDS account within 10 market days after the Closing Date of the Offer, subject to section 4.1(a) above, wherein Eligible Shareholders who hold shares in the Bank, in certificate form are advised to open a CDS account and direct uploads pertaining to written requests received from Eligible Shareholders to deposit such shares will be carried out on a weekly basis after the work pertaining to the Offer has been completed.

The shares for which the Offer has been accepted through the CDS (“Entitlement Shares”), would be credited to a reserve account titled ‘UBC Share Repurchase Acceptance Account’ maintained with the CDS for this purpose immediately upon the receipt of such Forms of Acceptance (FORM

A) by the CDS. Hence, Eligible Shareholders accepting the Offer through the CDS, CANNOT trade on the Entitlement Shares in respect of which they have accepted the Offer.

In addition to the above, Eligible Shareholders tendering for repurchase by the Bank, any additional shares deposited in the CDS by submitting FORM B, CANNOT trade on such additional shares immediately upon the receipt of such forms (FORM B) by the CDS. The number of additional shares to be repurchased by UBC will be held in a reserve account titled 'UBC Share Repurchase Additional Share Account' at the CDS.

4.3 Acknowledgement

No acknowledgement of receipt of any document including "Form of Acceptance (FORM A)", "Form for Additional Shares (FORM B)", share certificate(s) and/or other document(s) of title will be given by or on behalf of the Bank.

4.4 Receipt of Documents after the Closing Date

Documents with regard to the Offer, dispatched by courier or post or hand delivered, should reach the Registrars to the Offer or the CDS through your stockbroker or custodian bank, as applicable to you, as mentioned in Section 4.1 of this document, not later than 4.30 p.m. on the Closing Date of the Offer.

Any documents received by courier or post or hand delivered after the above deadline shall be rejected even though the courier or postmark is dated prior to the Closing Date.

4.5 Documents Signed Under Power-of-Attorney

If any document is signed under a Power-of-Attorney the original should be first registered in the books of the Bank through its Company Secretary, and a copy thereof duly certified by a Notary Public should be sent along with the forms (FORM A and/or FORM B) on or before 4.30 p.m. on the Closing Date, either to the Registrars to the Offer, Corporate Services (Private) Limited at 216, de Saram Place, Colombo 10 or to the CDS through your stockbroker or custodian bank, as applicable to you, as mentioned in Section 4.1 of this document.

4.6 Non-Resident Shareholders

Non-Resident Shareholders who wish to accept the Offer should through their professional advisors investigate, verify and ascertain the laws and regulations applicable to such shareholders in any and all jurisdictions (including, for the avoidance of doubt, provisions applicable under the Foreign Exchange Act No. 12 of 2017 and regulations issued thereunder), in respect of the Offer. The Bank will not be responsible for obtaining or providing any assistance, nor for such Non – Resident Shareholders' compliance, in connection with any statutory or other approvals that may be necessary or for any cost involved in the event of such persons accepting the Offer.

4.7 Acceptances in Respect of Shares of Deceased Eligible Shareholders

In the case of deceased Eligible Shareholders, the Offer document will be forwarded to their legal representatives if such legal representatives are registered in the books of the Bank and their legal representatives are required to contact the Registrars to the Offer, Corporate Services (Private) Limited immediately for information on the documents that must be tendered for a valid acceptance of the Offer.

4.8 No Right of Withdrawal or Varying Acceptance

Once an Eligible Shareholder submits the "Form of Acceptance" and/or "Form of Additional Shares", such Eligible Shareholder cannot withdraw or vary the same made thereby for the repurchase of shares.

4.9 Validity of Acceptance

Subject to the terms of the Offer, the Bank reserves the right to reject or treat as valid any acceptances of the Offer, which are not in order or which are not accompanied by the relevant original share certificate(s) and/or other document(s) such as those relating to title or indemnities. In such event, the consideration under the Offer will not be released to the accepting Eligible Shareholders until the shortcomings are rectified or the share certificate(s) and/or other document(s) such as those relating to title or indemnities, satisfactory to the Bank are received, as the case may be.

The Bank will not under any circumstances be under any duty or obligation to inform the Eligible Shareholder of any invalidity of acceptance before the Closing Date. In the case of an invalid acceptance, all documents forwarded to the CDS through the stockbroker/custodian bank or to the Registrars to the Offer will be returned to such Eligible Shareholder by ordinary post within thirty (30) calendar days after the Closing Date at the risk of such Eligible Shareholder. In the case of any Eligible Shareholder holding any shares on the Offer jointly, the said documents will be returned to the Eligible Shareholder whose name first appears in the share certificate(s) or the CDS account.

If an Eligible Shareholder does not adhere to the procedure set out herein, his "Form of Acceptance" and/or "Form for Additional Shares" will be rejected.

5. PAYMENT OF CONSIDERATION

The payment of consideration to Eligible Shareholders accepting the Offer not exceeding LKR 100,000,000/- will be made by way of a bank draft, crossed "Not-Negotiable Account Payee Only" in Sri Lanka Rupees for the appropriate amounts and mailed via registered post to such Eligible Shareholders at the risk of such Eligible Shareholders as soon as practicable, but in any case within 10 Market days from the Closing Date (excluding the Closing Date), i.e. on or before 26th July 2019. In the case of joint Eligible Shareholders, the bank draft will be drawn in favour of the Eligible Shareholder, whose name appears first in the CDS Account or share certificate.

The payment of consideration to Eligible Shareholders accepting the Offer exceeding LKR 100,000,000/- will be made to the Eligible Shareholders through a Real Time Gross Settlements (RTGS) transfer to the respective bank account details provided in the forms (FORM A and/or FORM B).

Non-resident Shareholders may provide details of the Inward Investment Account ("IIA") (previously known as Securities Investment Account (SIA)), and the RTGS transfer will be made or the bank draft crossed as aforesaid will be drawn, in favor of such IIA provided in the forms (FORM A and/or FORM B).

Payments to Eligible Shareholders on acceptances which are not accompanied by the relevant original share certificate(s) and/or other document(s) of title or indemnity/affidavit, but have been treated as valid by the Bank will not be released until the share certificate(s) and/or other document(s) or indemnity/satisfactory to the Bank are received in accordance with the terms and conditions of the Offer Document.

In case the payment for share repurchase on valid acceptances is not made within 10 market days from the Closing Date of the Offer, Eligible Shareholders accepting the Offer will be entitled to an interest up to the actual date of payment, computed based on the last quoted Average Weighted Prime Lending Rate (AWPLR) published by the Central Bank of Sri Lanka plus 5%.

The Bank, subsequent to obtaining the relevant approval of the SEC (as applicable), and paying the consideration to the Eligible Shareholders who accept the Offer, will make a request to the CSE and CDS to cancel the shares that are repurchased by the Bank.

6. TAX IMPLICATIONS ON SHARE REPURCHASE

In terms of Section 84 (1) (a) (i) read together with Section 195 of the Inland Revenue Act, No. 24 of 2017, the consideration payable to Eligible Shareholders accepting the Offer will be subject to 14% withholding tax (WHT).

Eligible Shareholders are advised to consult their advisors on any tax implications that they would be subject to by accepting the Offer.

7. DECLARATION BY THE DIRECTORS OF UNION BANK OF COLOMBO PLC

12th June 2019

We, the Directors of Union Bank of Colombo PLC, do hereby declare and confirm that this Offer Document has been seen and approved by us, and we collectively and individually accept full responsibility for the accuracy and completeness of the information contained in the Offer Document and confirm that to the best of our knowledge and belief, there are no other facts, the omission of which would make any statements herein misleading in any material respect.

Yours faithfully,

For and on behalf of the Board of Union Bank of Colombo PLC,

Sgd. Atul Malik
Chairman

Sgd. Indrajit Wickramasinghe
Director/Chief Executive Officer

ANNEXURE I – INSTRUCTIONS FOR COMPLETION OF FORM A AND FORM B

1. Eligible Shareholders of Union Bank of Colombo PLC who wish to accept the Offer must complete and return "Form of Acceptance" (FORM A). Further, an Eligible Shareholder who wishes to tender any additional shares for repurchase (subject to availability) must complete Form for Additional Shares (FORM B) and return both FORM A and FORM B by hand delivery or mail or courier as follows.

If shares are not deposited with the CDS

Registrars to the Offer
Corporate Services (Private) Limited
216, de Saram Place
Colombo 10

If shares are deposited with CDS

CDS through your stockbroker or custodian
bank

2. The relevant Forms referred to in item (1) above should be sent at the earliest possible, nevertheless in any case they should be received on or before 4.30 p.m. on the Closing Date of the Offer, i.e. 11th July 2019.

3. **Section A: Acceptance of the Offer (FORM A) and Tendering of Additional Shares (FORM B) (Subject to Availability)**

FORM A

Fill in the date and indicate the number of shares for which the Offer is accepted and the total repurchase consideration receivable in the appropriate space provided in columns A1 and A3 respectively.

If shares are held in scrip form, fill the share certificate number and the number of shares held in the appropriate space provided.

If the shares are deposited with the CDS, fill in the CDS account number of the Eligible Shareholder from which the shares are to be repurchased.

FORM B

Fill in the date and indicate the number of additional shares that the Eligible Shareholder wishes to tender (subject to availability) in the appropriate space provided in columns B1.

If shares are held in scrip form, fill the share certificate number and the number of shares held in the appropriate space provided.

If the shares are deposited with the CDS, fill in the CDS account number of the Eligible Shareholder from which the additional shares are to be repurchased.

4. **Section B: Information on Eligible Shareholder(s)**

Eligible Shareholder/s information must be filled. If available, please give a contact telephone number in the cage provided. The details entered in Section B of both forms (i.e. **FORM A and FORM B**) should be the same as appearing in your share certificate or as applicable to the relevant CDS account. Non-Resident Shareholders accepting the Offer should provide a local address. If available, please give a contact telephone number in the cage provided.

5. Section C: Declaration and Signature(s) of Offeree(s)

Place a tick (✓) in one of the boxes as applicable. At least one box must be marked for an acceptance to be valid. Non-resident shareholders should give the Inward Investment Account ("IIA") (previously known as Securities Investment Account (SIA)) details in the relevant space provided in this section.

Place your signature in the area specified as "Signature of Principal/Sole Shareholder" to signify your acceptance of the Offer.

If multiple names appear in Section B as Eligible Shareholders, then all Eligible Shareholders should place their signatures in the area specified in Section C.

If the Eligible Shareholder is an incorporated entity, the signatures (two directors or one director and company secretary) should be accompanied by the company seal placed in the specified area in accordance with the articles of association or the constitutional documents of such entity.

If any document is signed under a Power-of-Attorney, the original should be first registered in the books of the Bank through its Company Secretary and a copy thereof duly certified by a Notary Public should be sent along with the forms (FORM A and/or FORM B) on or before 4.30 p.m. on the Closing Date, either to the Registrars to the Offer, 216, de Saram Place, Colombo 10 or to the CDS through your stockbroker or custodian bank, as applicable to you, as mentioned in Section 4.1 of this document. **Please do not forward the original Power-of-Attorney.**

Each Eligible Shareholder must sign the FORM A and/or FORM B in the presence of a witness who is not another joint holder and the witness must also sign and state his/her name, address and NIC/Passport No. in the space provided.

6. Section D: Declaration and Signatures of Offeror

Please do not fill in this section. This section will be duly completed by the Bank as the Offeror.

7. Section E: Authorisation to CDS

This section of FORM A and/or FORM B should also be duly completed by Eligible Shareholders who wish to accept the Offer and/or tender additional shares which are deposited with the CDS.

Please do not fill the sections applicable to Eligible Shareholder's stockbroker/custodian bank and the CDS.

These sections will be duly completed by the Eligible Shareholder's stockbroker/custodian bank and the CDS.

ANNEXURE II –DECLARATION OF AFFIDAVIT

(Please use this form if the Share Certificate(s) are worn out, defaced, lost or destroyed)

(As per Article 22 of the Articles of Association of Union Bank of Colombo PLC)

I/We..... (insert full names) of
No.....(insert addresses)..... (holder/s of National
Identity Card No/passport No.....) do solemnly sincerely and truly declare and
affirm/make oath and state as follows;

1. THAT I/we am/are the owner/s of and have absolute title to (insert number of shares) shares in Union Bank of Colombo PLC ("the Company") and I/we have not transferred, encumbered, lent, deposited or dealt with the said shares that will have any effect or impact whatsoever to my/our title and ownership thereto and I/we am/are entitled to be registered in books of the Company as a shareholder/s;
2. THAT the certificate(s) for(insert the number of shares) shares in the Company standing in my/our name have been misplaced/lost/destroyed;
3. THAT I/we wish to accept the Offer made by Union Bank of Colombo PLC by Offer Document dated (insert date); ('the Offer') in respect of (insert number of shares being given up for acquisition) shares held by me/us in the Company;
4. THAT I/we note that share certificates will not be issued for the balance shares I/we hold subsequent to the completion of the Offer as per the Directive of the Securities and Exchange Commission made under Circular No 08/2010 dated 22nd November 2010 and Circular No 13/2010 issued by the Central Depository System (Private) limited (CDS) dated 30th November 2010 and that I am/we are advised to open a valid account with the CDS and inform the Company of the same in order to facilitate the uploading of the balance shares to my/our CDS Account.
5. I/we hereby undertake to deliver to the company for cancellation the said original certificate should the same ever be recovered/found.

The foregoing having being duly read

Signed and affirmed/sworn to at

..... on this

2019

LKR 50.00 stamp

.....
Signature of Shareholder(s)

Signed Before me
Commissioner for Oaths/Justice of Peace

ANNEXURE III – DECLARATION OF INDEMNITY

I/We.....
.....of.....
.....and.....
.....of.....
.....

in the Democratic Socialist Republic of Sri Lanka being Buddhist/Hindu/Muslim* do hereby individually, solemnly sincerely and truly declare and affirm/being Christian make oath and swear* as follows:

1. I am/We are the affirmant/affirmants or the deponent/deponents above named.
2. I am/We are the registered holder/holders of ordinary voting shares held upon share certificate number(s) in Union Bank of Colombo PLC.
3. That to best of my/our knowledge and belief that the said original certificate(s)has/have either been lost, misplaced or accidentally destroyed and that I have made and caused to be made a diligent search but have been unable to find the same.
4. That since the said certificate(s) was issued to me/us, I/we have not sold, pledged the said shares or in any way parted with possession of the said certificate(s) is/are my/our absolute property.
5. I/We therefore request the Union Bank of Colombo PLC to issue me/us a duplicate of such share certificate(s) and in consideration of the Union Bank of Colombo PLC doing so undertake the company against claims and demands (and any expense thereof) which may be made against the company in complying with my/our request.
6. I/We hereby undertake further to furnish to the company a Declaration of Affidavit.

Signed and affirmed to by the affirmants*/signed and
sworn to by the deponents* abovenamed at
.....on this day
of.....2019

}

Signature of Shareholder(s)

Signed Before me

Commissioner for Oaths/Justice of the Peace

*Please delete as appropriate

