

Notice of Meeting - Annual General Meeting

Notice is hereby given that the Forty-Sixth (46th) Annual General Meeting (AGM) of the Commercial Bank of Ceylon PLC (the 'Company') will be held at the Galadari Hotel, 'Grand Ballroom', No. 64, Lotus Road, Colombo 01, on Tuesday, March 31, 2015 at 2.00 p.m. for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company, the Statement of Compliance and the Financial Statements for the year ended December 31, 2014 together with the Report of the Auditors thereon.

2. To declare a dividend as recommended by the Board of Directors and to consider and if thought fit, to pass the following resolutions:

- (i) **Declaration of a final dividend and approval of its method of satisfaction [Dividend Resolution No.1]** : 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 a final dividend of Rs. 4/- per issued and fully-paid ordinary (voting) and (non-voting) share constituting a total sum of Rs. 3,464,347,048/- based on the issued ordinary (voting) and (non-voting) shares as at February 20, 2015 [subject however to necessary amendments being made to such amount to include the dividends pertaining to the options that may be exercised by employees under the Commercial Bank of Ceylon PLC (the 'Company') ESOP schemes] be and is hereby declared for the financial year ended December 31, 2014 on the issued and fully paid ordinary (voting) and (non-voting) shares of the Company;

THAT such dividend so declared be paid out of exempt dividends received (if any), dividends received on which Withholding Tax has already been paid by the paying companies (if any), and the balance out of the profits of the Company, which balance would be liable to a Withholding Tax of ten percent (10%);

THAT the Shareholders entitled to such dividend would be those Shareholders [both ordinary (voting) and (non-voting)], whose names have been duly registered in the Shareholders' Register maintained by the Registrars of the Company [i.e. SSP Corporate Services (Pvt) Ltd., No. 101, Inner Flower Road, Colombo 03] and also those Shareholders whose names appear on the Central Depository Systems (Pvt) Ltd. ('CDS') as at end of trading on the date on which the requisite resolution of the Shareholders in regard to the final dividend is passed ('entitled Shareholders');

THAT subject to the Shareholders (a) waiving their pre-emptive rights to new share issues and (b) approving the proposed allotment and issue of new ordinary (voting) and (non-voting) shares by passing the resolutions set out in item 2 (ii) and 2 (iii) below, the declared final dividend of Rs. 4/- per issued and fully-paid ordinary (voting) and (non-voting) share, be distributed and satisfied partly by the payment of cash and partly by the allotment and issue of new ordinary (voting) and (non-voting) shares (the 'distribution scheme') based on the share prices of ordinary (voting) and (non-voting) shares as at February 20, 2015 in the manner following:

- The payment in cash of Rs. 2/- per issued and fully-paid ordinary (voting) and (non-voting) share (less any Withholding Tax); and
- The allotment and issue of new ordinary (voting) and (non-voting) shares in satisfaction of the balance Rs. 2/- dividend entitlement (less any Withholding Tax).

THAT accordingly and subject to the approval of the Shareholders being obtained in the manner aforementioned the implementation of the said distribution scheme shall be as follows:

(i) By way of a cash distribution:

A cash distribution of a sum of Rs. 1,621,013,632/-, (subject however to necessary amendments being made to such amount to include the dividend payable on the options that may be exercised by the employees under the Company's ESOP schemes) shall be made to the entitled Shareholders ordinary (voting) shares; and a sum of Rs. 111,159,892/- shall be made to the entitled Shareholders of the ordinary (non-voting) shares, on the basis as aforesaid of Rs. 2/- per ordinary (voting) and (non-voting) share respectively (less any Withholding Tax);

And

(ii) By way of the allotment and issue of new shares:

The balance sum of:

- Rs. 1,621,013,632/-, (subject however to necessary amendments being made to such amount to include the dividend payable on the options that may be exercised by employees under the Company's ESOP schemes) to which the ordinary (voting) Shareholders are entitled (less any Withholding Tax); and
- Rs. 111,159,892/-, to which the ordinary (non-voting) Shareholders are entitled (less any Withholding Tax),

shall be satisfied by the allotment and issue of new ordinary (voting) and (non-voting) shares to the entitled Shareholders of the ordinary (voting) and (non-voting) shares respectively, on the basis of the following ratios:

- (a) 01 new fully-paid ordinary (voting) share for every 99.888889 existing issued and fully-paid ordinary (voting) shares calculated on the basis of the market value of the ordinary (voting) shares as at the end of trading on February 20, 2015; and
- (b) 01 new fully-paid ordinary (non-voting) share for every 77.222222 existing issued and fully-paid ordinary (non-voting) shares calculated on the basis of the market value of the ordinary (non-voting) shares as at the end of trading on February 20, 2015.

THAT the ordinary (voting) and (non-voting) residual share fractions, respectively, arising in pursuance of the aforementioned allotment and issue of new ordinary (voting) and (non-voting) shares, be aggregated, and the ordinary (voting) and (non-voting) shares, respectively, arising consequent to such aggregation be allotted to a Trustee to be nominated by the Board of Directors of the Company, and that the Trustee so nominated and appointed be permitted to hold the said shares in trust until such shares are sold by the Trustee on the trading floor of the Colombo Stock Exchange, and that the net sale proceeds thereof be donated to a charity or charities approved by the Board of Directors of the Company;

THAT the new shares to be issued in pursuance of the said distribution scheme constituting a total issue of 8,114,083 new ordinary (voting) shares, based on the issued and fully-paid ordinary (voting) shares as at February 20, 2015, (subject however to the necessary amendments being made to such number to include the dividend on the options that may be exercised by the employees under the Company's ESOP schemes) and 719,740 new ordinary (non-voting) shares based on the issued and fully-paid ordinary (non-voting) shares as at February 20, 2015 shall, immediately consequent to due allotment thereof to the entitled Shareholders rank equal and *pari passu* in all respects with the existing issued and

fully-paid ordinary (voting) shares and the existing issued and fully-paid ordinary (non-voting) shares of the Company respectively including the entitlement to participate in any dividend that may be declared after the date of allotment thereof and shall be listed on the Colombo Stock Exchange; and

THAT the new ordinary (voting) and (non-voting) shares to be so allotted and issued shall not be eligible for the payment of the dividend declared hereby and which dividend shall accordingly be payable only on the 810,506,816 existing issued and fully-paid ordinary (voting) shares as at February 20, 2015 and 55,579,946 existing issued and fully-paid ordinary (non-voting) shares as at February 20, 2015 (subject to amendments thereto to include the shares arising on the options that may be exercised by the employees under the Company's ESOP schemes).

(ii) Waiver of Pre-emption Rights [Dividend Resolution No. 2]:

Subject to the passing of the Ordinary Resolution set out in Dividend Resolution No. 1 above, to consider and if thought fit to pass the following Resolution by way of an Ordinary Resolution (To be passed by a separate vote of the ordinary (voting) Shareholders and of the ordinary (non-voting) Shareholders respectively):

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 'Company'), be and is hereby waived in respect of the following proposed issue of new shares to be effected by the Company for purposes of satisfying in part the final dividend for the year ended December 31, 2014:

"The allotment and issue of 8,114,083 new ordinary (voting) shares (subject however to the necessary amendments being made to such number to include the dividend on the options that may be exercised by the employees under the Company's ESOP schemes), and 719,740 new ordinary (non-voting) shares credited as fully-paid to Shareholders registered in the Company's share register and on the Central Depository Systems (Pvt) Ltd. ('CDS') as at the end of trading on the day when the relevant resolutions to be passed by Shareholders are, in fact, duly passed by Shareholders ('entitled Shareholders') and which new shares shall rank equal and *pari passu* with the existing issued and fully-paid ordinary (voting) and (non-voting) shares of the Company including the right to participate in any dividend which may be declared after the date of allotment of such shares".

(iii) Approval of an Issue of Ordinary (voting) and (non-voting) shares (Dividend Resolution No. 3) Subject to the passing of the Ordinary Resolution set out in Dividend Resolution No. 1 above, 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 proposed allotment and issue of 8,114,083 new ordinary (voting) shares [subject however to the necessary amendments being made to such number to include the dividend on the options that may be exercised by the employees under the Commercial Bank of Ceylon PLC (the 'Company') ESOP schemes], and 719,740 new ordinary (non-voting) shares credited as fully-paid to Shareholders registered in the share register of the Company and on the Central

Depository Systems (Pvt) Ltd. ('CDS') as at the end of trading on the day when the relevant resolutions to be passed by Shareholders in relation to the final dividend are, in fact, duly passed by Shareholders ('entitled Shareholders') and which new shares shall rank equal and *pari passu* with the existing issued and fully-paid ordinary (voting) and (non-voting) shares of the Company 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 and Article 10 of the Articles of Association of the Company; and

THAT accordingly the Company's management be and is hereby authorised to take all necessary steps to give effect to the aforesaid proposed issue of new ordinary (voting) and (non-voting) shares of the Company.

3. To re-elect the following Directors who, in terms of the Company's Articles of Association, retire by rotation, as given below:

- (a) Prof. Uditha Pilane Liyanage
- (b) Mr. Lakshman Hulugalle
- (c) Mr. Hakan John Wilson
- (d) Mr. Sivakrishnarajah Renganathan

4. (a) To re-appoint Messrs KPMG, Chartered Accountants, as recommended by the Board of Directors as the Company's Auditors for the financial year ending December 31, 2015; and
- (b) To authorise the Board of Directors to determine the remuneration of the Auditors for the financial year ending December 31, 2015.

5. To authorise the Board of Directors to determine donations for the year 2015.

By Order of the Board of Commercial Bank of Ceylon PLC,



Ms. Ranjani Gamage
Company Secretary

March 09, 2015
Colombo

Notes

- i. A duly registered and entitled holder of the Company's ordinary (voting) shares is entitled to attend, speak and vote at the AGM and is entitled to appoint a Proxyholder to attend, speak and vote in his/her stead.
- ii. duly registered and entitled holder of the Company's ordinary (non-voting) shares is entitled only to attend and speak at the AGM and to vote only on the resolutions set out in item 2 (ii) and 2 (iii) of the Notice of Meeting. Such a Shareholder is entitled to appoint a Proxyholder to attend and speak on his/her behalf and to vote only on the resolutions set out in item 2 (ii) and 2 (iii) of the Notice of Meeting.
- iii. A Proxyholder need not be a Shareholder of the Company.
- iv. A Form of Proxy is sent along with this Report. The completed Form of Proxy should be deposited at the Registered Office of the Company, 'Commercial House', No. 21, Sir Razik Fareed Mawatha (formerly known as Bristol Street), Colombo 01, not less than 48 hours before the time appointed for the holding of the AGM.