

NOTICE OF MEETING – ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-Eighth (48th) Annual General Meeting (AGM) of the Commercial Bank of Ceylon PLC (the 'Company') will be held at the Cinnamon Grand Hotel, 'Oak Room', No. 77, Galle Road, Colombo 03, on **Thursday, March 30, 2017 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, 2016 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) **To consider and if thought fit to pass the following resolution by way of an ordinary resolution pertaining to the Declaration of a final dividend and approval of its method of satisfaction. [To be passed only by the ordinary (voting) shareholders]. [Dividend Resolution No. 1]**

THAT a final dividend of Rs. 2/- per issued and fully-paid ordinary (voting) and (non-voting) share constituting a total sum of Rs. 1,783,305,054/- based on the issued ordinary (voting) and (non-voting) shares as at February 21, 2017 [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, 2016 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 companies from which such dividends are received (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%) as per the clarification obtained from the Department of Inland Revenue dated February 27, 2017;

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 items 2 (ii) and 2 (iii) below, the declared final dividend of Rs. 2/- per issued and fully-paid ordinary (voting) and (non-voting) share, be distributed and satisfied 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 21, 2017 in the manner following:

- The allotment and issue of new ordinary (voting) and (non-voting) shares in satisfaction of the total dividend entitlement amounting to a sum of Rs. 1,783,305,054/- (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 by way of the allotment and issue of new shares:

The total sum of:

- Rs. 1,668,879,748/- (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. 114,425,306/- 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:

- 01 new fully-paid ordinary (voting) share for every 79.3888902155 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 21, 2017; and

- 01 new fully-paid ordinary (non-voting) share for every 63.3333809335 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 21, 2017.

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 10,510,789 new ordinary (voting) shares, based on the issued and fully-paid ordinary (voting) shares as at February 21, 2017, (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 903,357 new ordinary (non-voting) shares based on the issued and fully-paid ordinary (non-voting) shares as at February 21, 2017 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 834,439,874 existing issued and fully-paid ordinary (voting) shares as at February 21, 2017 and 57,212,653 existing

issued and fully-paid ordinary (non-voting) shares as at February 21, 2017 (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 the final dividend for the year ended December 31, 2016:

"The allotment and issue of 10,510,789 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 903,357 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 10,510,789 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 903,357 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/elect the following Directors who, in terms of the Company's Articles of Association, retire by rotation or otherwise as given below:
 - (i) To re-elect Mr. M.P. Jayawardena who retires by rotation in terms of Article 86 of the Articles of Association
 - (ii) To re-elect Prof. A.K.W. Jayawardane who retires by rotation in terms of Article 86 of the Articles of Association
 - (iii) To elect Mr. L.D. Niyangoda who retires by rotation in terms of Article 92 of the Articles of Association
 - (iv) To elect Ms. N.T.M.S. Cooray who retires in terms of Article 92 of the Articles of Association
 - (v) To elect Mr. G.S. Jadeja who retires in terms of Article 92 of the Articles of Association

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, 2017; and
 - (b) To authorise the Board of Directors to determine the remuneration of the Auditors for the financial year ending December 31, 2017.
5. To authorise the Board of Directors to determine donations for the year 2017.

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



Mrs. Ranjani Gamage
Company Secretary

March 08, 2017
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) A 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 items 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 items 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, Colombo 01, not less than forty-eight (48) hours before the time appointed for the holding of the AGM.