

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of Seylan Bank PLC will be held on Thursday, 28 March 2024 at 12.00 p.m. (after the Annual General Meeting of the Bank which has been scheduled on the same day) at "Samudra Ballroom", Taj Samudra Hotel, No.25, Galle Face Center Road, Colombo 03, Sri Lanka for the following purpose:

WHEREAS the Board of Directors ('the Board') of Seylan Bank PLC ('the Bank') decided to raise a maximum sum of Rupees Ten Billion (LKR 10,000,000,000/-) by issuing up to a maximum of One Hundred Million (100,000,000) BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a feature for Non-Viability Conversion to Ordinary Voting Shares by the Bank ('Subordinated Debentures') to qualified investors as defined in the Circular to Shareholders accompanying this Notice in the manner explained in the said Circular;

AND WHEREAS in the eventuality of a conversion of the said Subordinated Debentures to Ordinary Voting Shares due to the occurrence of a Trigger Event, as explained in the Circular to Shareholders accompanying this Notice of Extraordinary General Meeting ('EGM'), approval of the shareholders is required by Special Resolution for the resultant issuance of the Ordinary Voting Shares in terms of Rule 2.2.1.(m) of the Listing Rules of the Colombo Stock Exchange and waiver of the pre-emptive right entitlement of the Shareholders in terms of Article 4 (iv) of the Articles of Association of the Bank and Section 53 of the Companies Act No. 07 of 2007 (as amended).

AND WHEREAS, it has become necessary to consider and, if thought fit, to pass the following as a **SPECIAL RESOLUTION**:

"That the Board of Directors ('the Board') of Seylan Bank PLC ('the Bank' or 'the Company') be and is hereby authorized:

1. To issue upto a maximum of One Hundred Million (100,000,000) BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated Redeemable Debentures with a Non-Viability Conversion to Ordinary Voting Shares by the Bank (**hereinafter referred to as 'Subordinated Debentures'**) of the par value of Rupees Hundred (LKR 100/-) each amounting to Rupees Ten Billion (LKR 10,000,000,000/-); and that:
 - (i) The Subordinated Debentures shall be issued by the Bank in one or more issuances until 31 December 2024 subject to the maximum of One Hundred Million (100,000,000) Debentures;
 - (ii) the Subordinated Debentures shall be offered to 'Qualified Investors' as defined under The Listing Rule No.2.2.1(n) of the Listing Rules of the Colombo Stock Exchange;
 - (iii) The size, the coupon (interest) rate/s, frequency of coupon/s, maturity period/s (tenure/s), issue price in respect of the issue or each issuance as the case may be determined by the Board;
 - (iv) The minimum tenure or maturity period of the Subordinated Debentures shall be five (05) years;

- (v) The Subordinated Debentures will be listed on the Colombo Stock Exchange upon issue and allotment and/or in accordance with the requirements of the Central Bank of Sri Lanka for inclusion of the Subordinated Debentures in the Tier 2 Capital of the Bank.
 - (vi) Ordinary Voting Shares of the Bank shall be issued to the holders of Subordinated Debentures to the extent of the amounts due and payable on Subordinated Debentures (i.e. capital sum paid on the Subordinated Debentures plus outstanding interest) in the event the Governing Board of the Central Bank of Sri Lanka determines that a Trigger Event has occurred;
2. To issue upon the occurrence of a Trigger Event, Ordinary Voting Shares to the holders of Subordinated Debentures in lieu of the amounts due and payable on relevant Subordinated Debentures (i.e. capital sum paid on the Subordinated Debentures plus outstanding interest) at the conversion price that would be 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 and which said price mechanism at the point of non-viability conversion is fair and reasonable to the existing shareholders and the Bank;
 3. To issue upon the occurrence of a Trigger Event, Ordinary Voting Shares to the holders of Subordinated Debentures on the aforesaid basis without such Shares in the first instance being offered to the then existing Ordinary Voting Shareholders or the Ordinary Non-Voting Shareholders of the Bank and such Shares shall rank *pari passu* with the Ordinary Voting Shares then in issue subject to regulatory approvals, namely from the Central Bank of Sri Lanka, the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka being obtained. Such resultant Ordinary Voting Shares arising from the non-viability conversion of Debentures as referred above, will be listed on the Colombo Stock Exchange.”

**BY ORDER OF THE BOARD OF DIRECTORS OF
SEYLAN BANK PLC**



(Ms) Saraswathie Poulraj
Company Secretary

01 March 2024
Colombo