

“THIS DOCUMENT IS OF VALUE”

**SANASA DEVELOPMENT BANK PLC
CIRCULAR TO SHAREHOLDERS**

Dear Valued Shareholders,

1. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board of Directors of SANASA Development Bank PLC (“SDB” or “the Bank”) resolved to amend the Articles of Association. Accordingly, amend the Article No 6(4)(i) in order to formalize the retire by rotation of Non-Independent Directors, Articles 6(1)(iii), 6(9)(i) - (iv) to eliminate the ambiguities with regard to the Executive Director and, introduce Article 6(7A) in order to establish the position of Deputy Chairperson within the Board of SDB. The Central Bank of Sri Lanka has approved such amendments to the Articles of Association, in the manner referred in the Notice of Meeting, subject to obtaining the shareholders’ approval at an EGM.

2. DIRECTORS’ RECOMMENDATION

The Board of Directors of SDB recommends the proposed amendments to the Articles of Association in the manner referred in the Notice of Meeting, subject to shareholders’ approval at the Extraordinary General Meeting (EGM) convened on 19 May, 2023.

3. EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting of SDB is being convened in accordance with the Notice of Meeting attached hereto, for the purpose of passing the requisite resolutions set out therein.

The bank will take steps to connect shareholders to the EGM via audio or audio and visual means through “Zoom Meeting Platform” or similar methods. Please refer the “Manner of Holding the Extraordinary General Meeting” in the Notice of Meeting for detailed information.

If you are unable to attend the EGM via zoom, you are entitled to appoint a Proxy Holder (via zoom) to attend and vote on your behalf. In such an event, please complete and return the enclosed Form of Proxy (in accordance with the instructions specified therein) to the Registered Office of SDB, not less than twenty-four (24) hours before the time appointed for the holding of EGM. The Board of Directors encourage that the shareholders appoint a Director in the Board as their proxy, having marked their preferences in respect of Agenda Items.

Yours faithfully,

By Order of the Board

SANASA DEVELOPMENT BANK PLC



**Tamarika Rodrigo
Company Secretary**

24th April, 2023

**SANASA DEVELOPMENT BANK PLC
EXTRAORDINARY GENERAL MEETING
NOTICE OF MEETING**

Notice is hereby given that an Extraordinary General Meeting of SDB will be held by way of Online Virtual Meeting on 19 May, 2023, Soon after the conclusion of the 26th AGM at the Board Room of SANASA Development Bank PLC, No.12, Edmonton Road, Kirulapone, Colombo 06, for the following purposes:

To consider and if thought fit, to pass the following resolutions by way of a Special Resolutions.

Special Resolution No 01

Proposed Amendments Related to the Directors Retire by Rotation

➤ **Article 6(4)(i)**

It is hereby resolved that Article 6(4)(i) of the Articles of the Association be amended by;

- (i) Interpolation of the words “and Investor Director/s appointed in terms of Article 6 (1A)” between the words “excluding the Independent Directors” and “shall retire”
- (ii) Interpolation of the word “and” between the words “not disqualified” and “recommended”.

Accordingly Proposed Article 6(4)(i) will be read as follows;

“At each annual general meeting one third of the aggregate of Non-Executive Directors with such number excluding the Independent Directors’ and Investor Director/s appointed in terms of Article 6(1A) shall retire (taken in order from those who served the longest period or if the period is the same as determined by lot) and shall be eligible for re-election so long as they are not disqualified and recommended by the Nomination Committee”.

Special Resolution No 02

Proposed Amendments Related to the Executive Director

➤ **2.1 - Article 6(1)(iii)**

It is hereby resolved that

- (i) the first paragraph of Article 6(1)(iii) of the Articles of Association be amended;
 - a) By removing the word “and” between the words “time” and “Articles”
 - b) By replacing Article “6(i) (ii)” by Article “6(1)(i) and (ii)”
 - c) By interpolation of word “and without prejudice to Article 6(9)” between words “Articles of Association” and “the composition”.
- (ii) To delete 6(1)(iii)(b) of the Articles of Association
- (iii) Re-number Article 6(1)(iii)(c) and (d) as Article 6(1)(iii)(b) and (c)

Accordingly Proposed Article 6(1)(iii) will be read as follows;

“Subject to direction 3(6)(iv) of the Corporate Governance Direction No.12 of 2007 and such other Regulatory requirement that may be imposed on licensed specialized banks from time to time, Articles

6(1)(i) and (ii) of the Articles of Association, and without prejudice to Article 6(9), the composition of the directors shall be as follows.

(a) Three or one third of the total number of directors (whichever is greater) appointed by the board as Non-Executive Independent Directors in conformity with the Banking Act.

(b) Investor Director/s appointed in terms of Article 6(1A)

(c) The remaining directors may be elected by the shareholders”

➤ **2.2 - Article 6(9)(i)**

It is hereby resolved that Article 6(9)(i) of the Articles of Association be amended;

(i) By adding “Subject to direction 3(2)(iii) of the Corporate Governance Direction No.12 of 2007 and such other Regulatory requirement that may be imposed on licensed specialized banks from time to time” (To include in the beginning of the Article)

(ii) By replacing the word “shall” by “may” between the words the “Board” and “appoint”

(iii) By replacing the word “its” by “an” between the words “as” and “Executive Director”

Accordingly Proposed Article 6(9)(i) will be read as follows;

“Subject to direction 3(2)(iii) of the Corporate Governance Direction No.12 of 2007 and such other Regulatory requirement that may be imposed on licensed specialized banks from time to time, the board may appoint an employee of the Company who has been recommended by the Nomination Committee as an Executive Director”.

➤ **2.3 - Article 6(9)(ii)**

It is hereby resolved that Article 6(9)(ii) of the Articles of Association be amended ;

(i) By adding “One of” (To include in the beginning of the Article)

Accordingly Proposed Article 6(9)(ii) will be read as follows.

“One of the Executive Directors shall be the chief executive officer of the Company and shall function as the apex executive in charge of the day-to-day management of the Company’s operations and business”.

➤ **2.4 - Article 6(9)(iii)**

It is hereby resolved that Article 6(9)(iii) of the Articles of Association be amended;

(i) By replacing the word “Director” by “Directors”

(ii) By replacing the words “him” by “them” between the words “between” and “and the Board”

(iii) By replacing the word “His remuneration” by “Such remunerations”.

Accordingly Proposed Article 6(9)(iii) will be read as follows;

“The Executive Directors shall be paid such remuneration as may be agreed between them and the board. Such remunerations may be by way of salary, commission, participation in profits or any combination of these methods or any other method of fixing remuneration.”

➤ **2.5 - Article 6(9)(iv)**

It is hereby resolved that Article 6(9)(iv) of the Articles of the Association be amended;

- (i) By replacing the word “Executive Director” by “Executive Directors”
- (ii) By replacing the word “Managing Director” by “Executive Directors”
- (iii) By replacing the word “the” by “such” between words “exercise of” and “power”

Accordingly Proposed Article 6(9)(iv) will be read as follows;

“The board may delegate to the Executive Directors, subject to any conditions or restrictions which they consider appropriate, any of their powers which can be lawfully delegated. Any such delegation may at any time be withdrawn or varied by the board. The delegation of a power of the board to the Executive Directors does not prevent the exercise of such power by the board, unless the terms of the delegation expressly provide otherwise.”

Special Resolution No 03

Proposed Amendments Related to the Deputy Chairperson

It is hereby resolved that to introduce Article 6 (7A) subsequent to the Article 6(7) of the Articles of the Association of the Bank.

➤ **Article 6 (7A)**

New Article 6(7A) will be read as follows;

“(i) The Directors shall elect one of their members other than the Executive Directors (if any) as the Deputy Chairperson on such terms as they think fit and determine the period for which such Director is to hold such office. A Director so appointed may be removed from such office at the absolute discretion of the Board and the appointment shall also cease, if he/ she ceases for any cause to be a Director.

(ii) The Deputy Chairperson shall,

- (a) in the absence of the Chairperson preside as Chairperson at meetings of the Board.
- (b) assist the Chairperson in the carrying out of his functions specified in Article 6(7) above.
- (c) encourage and facilitate all directors to make active contributions through their participation at Board Committees.
- (d) discharge any other Non-Executive duties assigned and / or documented by the Chairperson or the Board”

Manner of Holding the Extraordinary General Meeting:

1. The Extraordinary General Meeting (EGM) of the Bank is to be held by way of a Virtual Meeting in accordance with the Articles of Association of the Bank, the prevailing laws and the guidelines issued by the Colombo Stock Exchange.

2. Chairperson, Board of Directors, Chief Executive Officer, Deputy Chief Executive Officer, Company Secretary and the representatives of the Bank, and others essential for the administration of formalities of the meeting will assemble at the place specified as the venue of the meeting. All others, including shareholders, will participate via Zoom following the steps below;
 - a) All shareholders wishing to participate at the Virtual Meeting must forward the duly completed Form 1 (attached hereto) via post / by hand to the Company Secretary at the registered office of the Bank or email to the Company Secretary (sdbegm@sdb.lk) or to facsimile number - 011-2514256 not later than 24 hours prior to the meeting to enable the Bank to share the login information.
 - b) All participating shareholders will have to pre-register themselves online prior to the commencement of the meeting and will be authenticated to participate. As such all shareholders must strictly ensure that the details provided in the Form 1 shared with the Company Secretary and the online pre-registration must be the same.
3. Shareholders who participate the meeting required to identify themselves, if they speak at the EGM during the time allotted for comments by shareholders as directed by the Chairperson. At that point, the individual will be required to give his / her name and address for the purpose of identification as a shareholder or Proxy.
4. Shareholders are also given the opportunity to forward their queries via post to the Company Secretary at the registered office of the Bank or email to the Company Secretary (sdbegm@sdb.lk) or to facsimile number 011-2514256 before 24 hours prior to the meeting and your concerns will be addressed as deemed appropriate by the Chairperson.
5. Shareholders are encouraged to opt to duly completing the Form of Proxy clearly setting out their preference of vote under each item of the Agenda set out in the Form of Proxy and to appoint one of the Directors of the Bank to act on their behalf in order that in the event a shareholder cannot participate at the meeting, such shareholder's vote may be identified and recorded as if such shareholders were present at the meeting.

The duly completed Form of Proxy must reach the Company Secretary (in accordance with the instructions specified therein), not less than twenty-four (24) hours before the time appointed for the holding of the meeting so that your proxy could represents you at the EGM and exercise your vote in accordance with your directions.

As this meeting will be a 'Virtual Meeting' and for the Bank's administrative convenience, the Bank would very much appreciate and requests all shareholders to send in their Proxy Forms along with their Registration Form (Form 1) to reach the Bank, not later than 24 hours prior to the meeting as this would enable the Bank to efficiently make all arrangements for the Virtual Meeting.

6. The Bank intends to proceed to hold the Virtual Meeting as planned despite any prevailing situation in the Country. As such in the event any further communications are to be made to the shareholders of the Bank, the same will be made via the Colombo Stock Exchange website www.cse.lk and / or the Bank website <https://www.sdb.lk/en/>
7. Contact Company Secretary Department via 011-2832590 by the shareholders participating at the Virtual Meeting to address any technical difficulties faced in accessing / participating at the meeting.

*Login details are authorized only for the use by Individual shareholders / Proxy holders and authorized representatives in the case of corporate / institutional shareholders. The Bank will not be responsible or liable for the misuse of login details and access granted to the meeting.

By Order of the Board

SANASA DEVELOPMENT BANK PLC

A handwritten signature in black ink, appearing to read 'T. Rodrigo', with a large, sweeping flourish at the end.

Tamarika Rodrigo
Company Secretary

24th April, 2023

**FORM OF PROXY
EXTRAORDINARY GENERAL MEETING**

1. Full Name of Shareholder

2. Company / Society Registration No/ National Identity Card Number of the Shareholder
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3. Address of the Shareholder
.....

4. To Participate Via Zoom ;
e-mail address & Mobile No

Being a member of the SANASA Development Bank PLC hereby appoint;

5. Name of Proxy Holder
.....

6. National Identity Card Number of Proxy Holder
.....

7. Address of Proxy Holder
.....

8. To Participate Via Zoom ;
e-mail address & Mobile No

Failing him / her, Chairperson Ms.Dinithi Ratnayake or failing her Director Prof.Sampath Amaratunge, or failing him Director Mr.Chaaminda Kumarasiri, or failing him Director Mr.Prasanna Premaratna, or failing him Director Mr.B.R.A. Bandara, or failing him Director Mr.Thusantha Wijemanna, or failing him Director Mr.Sarath Nandasiri, or failing him Director Mr.Conrad Dias, or failing him Director Mr.Naveendra Sooriyarachchi, or failing him Director Mr.Romani De Silva, or failing him Director Mr.Senthi Aathavan, or failing him Director Mr.Chandana Dissanayake, or failing him Director Dr.Mahesha Ranasoma as my /our proxy to speak /vote for me / us on my /our behalf at the Extraordinary General Meeting of the Bank to be held on the May 19, 2023, soon after the conclusion of the 26th AGM at the "Board Room", SANASA Development Bank PLC, No.12, Edmonton Road, Kirulapone, Colombo 06 and at any adjournment thereof and at every poll which may be taken in connection with such Meeting and to vote as indicated below;

Please indicate your preference by placing "X" against the resolution.

	FOR	AGAINST
1. To pass the Special Resolution No 01, in the Notice convening the Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
2. To pass the Special Resolution No 02, in the Notice convening the Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
3. To pass the Special Resolution No 03, in the Notice convening the Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

For Societies / Union / Companies

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Chairman	Seal	Vice Chairman / Secretary
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Date		Proxy Holder's Signature
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For Individuals

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Date	Signature	Proxy Holder's Signature
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INSTRUCTIONS

- 1) In perfecting Form of Proxy please ensure that all details are legible.
 - 2) The completed Form of Proxy should be received at the address given below, not later than 24 hours before the time fixed for the EGM.
 - 3) Please fold this form properly and post to the following address.
 - 4) The instrument appointing a proxy may be in writing under the hand of the appointer or of his / her attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney or duly authorized person and together with the instrument appointing a proxy should be deposited at the registered office of the Bank.
- ❖ **Please forward the duly filled "FORM 1" along with the "Form of Proxy" herewith not later than 24 hours prior to the meeting.**

**The Company Secretary
SANASA Development Bank PLC
No.12, Edmonton Road
Kirulapone
Colombo 06.**

FORM 1

TO BE COMPLETED BY SHAREHOLDERS TO CONNECT VIA DIGITAL MEANS.

**SANASA DEVELOPMENT BANK PLC
EXTRAORDINARY GENERAL MEETING - May 19, 2023**

BY EMAIL / BY FAX / BY HAND / BY POST

To: The Company Secretary
SANASA Development Bank PLC
No. 12, Edmonton Road
Kirulapone
Colombo 06
sdbegm@sdb.lk

Full Name of Shareholder (In the event of a Joint holder please indicate full name and details of <u>primary holder</u>).	
National Identity Card No (NIC) / Passport No. / Company Registration No.	
Telephone number	Mobile
	Landline
Email address	
IF A PROXY IS APPOINTED* :	
Full Name of Proxy holder	
National Identity Card No (NIC) / Passport No. of Proxy holder	
Telephone number	Mobile
	Landline
Email address	
* Please ensure that the Proxy Form is attached.	

I/we confirm that the undersigned or as duly represented by my / our proxy will connect to the EGM of SANASA Development Bank PLC via digital means as provided by the Bank. In the event a proxy is appointed, I/we hereby acknowledge my / our vote for the resolutions detailed in the Notice of Meeting shall be in accordance with the preference indicated in the Form of Proxy.

.....
Shareholder / Shareholders signature/s

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| <ol style="list-style-type: none">1. In case of a corporate shareholder, this form must be executed under its Common Seal (if applicable) or in such other manner prescribed by the Articles of Association or other constitutional documents.2. If this form is signed by an Attorney, the Power of Attorney or a copy certified by a Notary Public thereof duly registered in the books of SDB should be attached.3. This form must be returned to the Company Secretary not later than 24 hours prior to the Meeting.4. This form could be sent to the Company Secretary preferable by Email (sdbegm@sdb.lk) or through facsimile number 0112-514256 at any time between 10.00 a.m to 4.00 p.m. on working days.5. Please contact 011-2832590 for any queries. |
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