



## Hatton NATIONAL BANK PLC

### Report of the 49<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> March 2018

49<sup>th</sup> Annual General Meeting (the "AGM") of Hatton National Bank PLC was held on 28<sup>th</sup> March 2018 pursuant to the Notice of Meeting and Agenda circulated to the Shareholders on 5<sup>th</sup> February 2018 a copy of which is attached hereto as Annex A for easy reference.

The shareholder representation recorded on the day of the Annual General Meeting was as follows:

Mode of Participation	No of Shareholders	No of shares represented
In person	114	612,610
By Proxy	93	297,291,217

% of the Total Number of shares represented at the Meeting – 82.54%

Total Number of shares as at the date of the AGM - 392 508 688

No of shares where voting rights are not available (Stassen Group) - 30 728 876

Total Number of unregistered shares – 896 572

All resolutions and proposals submitted to the meeting under the agenda was decided by majority vote on a show of hand. A poll was not required to be carried out in respect of any of the resolutions or proposals. Accordingly, voting and/or decisions of the resolutions/proposals submitted to the AGM are as follows:

(i)	To declare the recommended dividend of Rs. 2/- per share as the final dividend for 2017 and	Approved unanimously
	(a) to adopt Ordinary Resolution - Declaration of Dividend and approval of its method of satisfaction	Approved unanimously
	(b) to adopt Special Resolution – Approval of the holders of voting shares under section 99 of the Companies Act No. 7 of 2007, for the issue of shares by way of a scrip dividend	Approved unanimously
(ii)	To re-elect Mrs Rose Cooray as a Director of the Bank	Approved unanimously
(iii)	To re-elect Mr Palitha Pelpola as a Director of the Bank	Approved unanimously
(iv)	To re-elect Mr Duliksha Soosaipillai as a Director of the Bank	Approved unanimously
(v)	To re-elect Mr Dinesh Weerakkody as a Director of the Bank	Approved unanimously



(vi)	To re-appoint Messrs Ernst & Young (Chartered Accountants) as the Bank's Auditors for the ensuing year/authorize the Directors to fix their remuneration	Approved unanimously
(vii)	To authorize the Directors to determine payments for charitable and other purposes	Approved unanimously

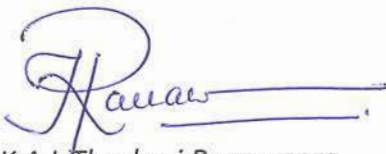
Signed



Mr. Dinesh Weerakkody  
Chairman



Mr. Jonathan Alles  
MD/CEO



K A L Thushari Ranaweera  
Company Secretary



19<sup>th</sup> December 2018

*\*\*The disclosure is made Under Code of Best Practice on Corporate Governance – 2017.*

# Notice of Meeting

Notice is hereby given that the Forty Ninth [49th] Annual General Meeting of Hatton National Bank PLC [the "Bank"] is convened on Wednesday, the Twenty Eighth [28th] day of March 2018 at the Auditorium on Level 22 of "HNB Towers" at No. 479, T.B. Jayah Mawatha, Colombo 10, at 10.00 in the forenoon when the following business will be transacted:

- i. To receive and consider the Annual Report of the Board of Directors along with the Financial Statements of the Bank for the year ended 31st December 2017 and the Auditor's Report thereon.
- ii. To declare a final dividend as recommended by the Board of Directors, to consider and if thought fit, to pass the following resolutions:

## ORDINARY RESOLUTION - DECLARATION OF DIVIDEND AND APPROVAL OF ITS METHOD OF SATISFACTION

### IT IS HEREBY RESOLVED:

- [a] THAT a final dividend of Rupees Two [Rs 2/-] per share constituting a total sum of Rs 977,107,380/- be paid on the issued and fully paid ordinary voting shares and ordinary non-voting shares of the Bank for the financial year ended 31st December 2017 based on the issued ordinary voting shares and ordinary non-voting shares as at February 20th, 2018, subject to any necessary revision being made to such amount to be distributed in order to include and accommodate the dividends pertaining to any new shares to be issued by the Bank to its employees under the Hatton National Bank PLC ESOP scheme;
- [b] THAT such dividend 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 Bank, which balance would be liable to a Withholding Tax of ten per centum [10%].
- [c] THAT the shareholders entitled to such dividend would be those shareholders [holders of both ordinary voting shares and ordinary non-voting shares], whose names have been duly registered in the Register of Shareholders and 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'];
- [d] THAT the said final dividend of Rs. 2/- per share be distributed and satisfied by the allotment and issue of new ordinary voting shares and ordinary non-voting shares [the "distribution scheme"] based on the share prices of ordinary voting shares and ordinary non-voting shares as at February 19th, 2018 in the following manner, subject however to any necessary revision being made to the amount of dividends to be distributed and the number of shares to be issued, [i] in order to include and accommodate the dividends pertaining to any new shares that may be issued by the Bank to its employees under the Hatton National Bank PLC ESOP scheme and/or [ii] pursuant to any changes to the applicable law:
  - A. By way of the allotment of and issue of new shares for voting shares:

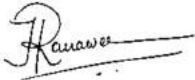
THAT a sum of Rs 784,609,116/- [less any withholding tax] be distributed to the holders of ordinary voting shares in the form of a scrip dividend at the rate of Rupees two [Rs 2/-] per each share, by the issue of a total of 2,924,009 ordinary voting shares computed on the basis of one [1] ordinary voting share for every 134.1666725376 ordinary voting shares currently in issue [which computation is based on a valuation of Rs. 241.50 per each ordinary voting share].
  - B. By way of the allotment of and issue of new shares for non-voting shares  
THAT a sum of Rs 192,498,264/- [less any withholding tax] be distributed to the holders of ordinary non-voting shares in the form of a scrip dividend at the rate of Rupees two [Rs 2/-] per each share, by the issue of 907,059 ordinary non-voting shares computed on the basis of one [1] ordinary non-voting share for every 106.1112143752 non-voting shares currently in issue [which computation is based on a valuation of Rs.191.00 per each ordinary non-voting share].
- [e] THAT the shares arising from the aggregation of the residual fractions consequent to the scrip dividend be issued to and disposed of in the market by the trustees to be nominated by the Board of Directors and the proceeds to be distributed to charitable organization[s].
- [f] THAT [a] the new ordinary voting shares to be issued in pursuance of the distribution scheme shall, immediately consequent to the allotment thereof to the entitled Shareholders rank equal and pari passu in all respects with the existing issued and fully paid ordinary voting shares of the Bank and [b] the new ordinary non-voting shares to be issued in pursuance of the distribution scheme shall, immediately consequent to the allotment thereof to the entitled Shareholders rank equal and pari passu in all respects with the existing issued and fully paid ordinary non-voting shares of the Bank, and shall be listed on the Colombo Stock Exchange.
- [g] THAT the new ordinary voting shares and ordinary non-voting shares to be so allotted and issued shall not be eligible for the payment of dividend declared hereby.
- [h] THAT accordingly, the Bank's management be and is hereby authorized to take all necessary steps to give effect to the aforesaid proposed issue of new ordinary voting shares and ordinary non-voting shares of the Bank.

**SPECIAL RESOLUTION – APPROVAL OF THE HOLDERS OF VOTING SHARES UNDER SECTION 99 OF THE COMPANIES ACT NO. 7 OF 2007, FOR THE ISSUE OF SHARES BY WAY OF A SCRIP DIVIDEND**

IT IS HEREBY RESOLVED THAT the issue by the Bank of [a] 2,924,009 ordinary voting shares to the holders of ordinary voting shares on the basis of one [1] ordinary voting share for every 134.1666725376 ordinary voting shares currently in issue and [b] 907,059 ordinary non-voting shares to the holders of ordinary non-voting shares on the basis of one [1] ordinary non-voting share for every 106.1112143752 ordinary non-voting shares currently in issue, by way of a scrip dividend [subject to any necessary revision being made to the number of shares to be so issued [i] to include and accommodate any dividends pertaining to any new shares to be issued by the Bank to its employees under the Hatton National Bank PLC ESOP scheme and/or [ii] pursuant to any changes to the applicable law] with the shares arising from the aggregation of the residual fractions consequent to the scrip dividend being issued to and disposed of in the market by the trustees to be nominated by the Board of Directors and the proceeds from such disposal being distributed to charitable organization(s), be and is hereby approved.

- iii. To re-elect Mrs Rose Cooray, who retires at the Annual General Meeting, as a Director of the Bank in terms of Article 34 of the Articles of Association of the Bank.
- iv. To re-elect Mr Palitha Pelpola who retires at the Annual General Meeting, as a Director of the Bank in terms of Article 34 of the Articles of Association of the Bank.
- v. To re-elect Mr Duliksha Soosaipillai who retires at the Annual General Meeting, as a Director of the Bank in terms of Article 34 of the Articles of Association of the Bank.
- vi. To re-elect Mr Dinesh Weerakkody, as a Director of the Bank in terms of Article 36 of the Articles of Association of the Bank.
- vii. To re-appoint Messrs Ernst & Young [Chartered Accountants] as the Bank's Auditors for the ensuing year and to authorize the Directors to fix their remuneration.
- viii. To authorize the Directors to determine payments for the year 2018 for charitable and other purposes.

By order of the Board of Hatton National Bank PLC,



**K A L Thushari Ranaweera [Mrs]**  
Deputy General Manager [Legal] /Board Secretary

Colombo, Sri Lanka.  
20th February 2018

**Notes :**

1. A member entitled to attend or attend and vote at the meeting, is entitled to appoint a proxy to attend or attend and vote as the case may be, in his stead.
2. A proxy need not be a member of the Company. The Form of Proxy is enclosed.
3. The completed Form of Proxy should be deposited with the Board Secretary at the Registered Office of the Company at No. 479, T.B. Jayah Mawatha, Colombo 10 [at "HNB Towers", Level 18], not less than 24 hours before the time appointed for holding the meeting.