



Hatton NATIONAL BANK PLC

Report of the 52nd Annual General Meeting held on 30th March 2021

52st Annual General Meeting (the "AGM") of Hatton National Bank PLC was held on 30th March 2021 pursuant to the Notice of Meeting and Agenda circulated to the Shareholders on 19th February 2021, copies of which are attached hereto as Annex A for easy reference.

Due to the prevailing situation in the Country and social distancing rules observed, the Annual General Meeting was conducted for the second consecutive year as a hybrid meeting at a physical location as well as via an extended teleconference facility for shareholders unable/unwilling to attend the meeting in person, in line with the prevailing health and safety standards.

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	50	397,128
By Proxy	64	303,958,468
Total represented		304,355,596

Total Number of shares eligible to vote – 377 262 280

% of the Total Number of shares represented at the Meeting – 74.17%

Total Number of shares as at the date of the AGM - 410 319 604

No of shares where voting rights are restricted (Stassen Group) - 32 120 110

Total Number of unregistered shares – 937 214

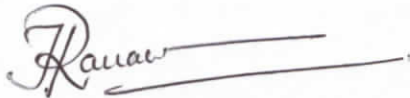
[Eligible no of shares are taken excluding the restricted & unregistered shares]

All resolutions and proposal submitted to the meeting under the agenda was decided by majority vote on a show of hand and for the shareholders participating via electronic platform who were able to vote by means of MS Teams – Forms Tool. 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 submitted to the AGM are as follows:

(i)	To declare the recommended dividend of Rs. 8/- per share as the final dividend for 2020 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 Mr Dinesh Stephen Weerakkody	Mr Weerakkody did not offer himself for re-election
(iii)	To re-elect Mr Devaka Cooray as a Director of the Bank	Approved unanimously
(iv)	To re-elect Mr Dilshan Rodrigo as a Director of the Bank	Approved unanimously
(v)	To appoint Messrs KPMG – Sri Lanka (Chartered Accountants) as the Bank's Auditors for the ensuing year/authorize the Directors to fix their remuneration	Approved unanimously
(vi)	To authorize the Directors to determine payments for charitable and other purposes	Approved unanimously



K A L Thushari Ranaweera
Company Secretary



Actg. Chairman



MD/CEO



April 29, 2021

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

Notice of Meeting

1. NOTICE OF MEETING AND AGENDA

Notice is hereby given that the Fifty Second (52nd) Annual General Meeting of Hatton National Bank PLC (the "Bank") is convened on Tuesday, the Thirtieth (30th) day of March 2021 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 2020 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:

- (a) IT IS HEREBY RESOLVED THAT a final dividend of Rupees Eight (Rs 8/-) per share constituting a total sum of Rs 4,095,805,728.00 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 2020 based on the issued ordinary voting shares and ordinary non-voting shares as at February 19th, 2021;
- (b) 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');
- (c) THAT the said final dividend of Rs 8/- per share be distributed and satisfied partly by the payment of cash and partly 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 18th, 2021 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 pursuant to any changes to the applicable law:
 - i. By way of cash distribution:

A cash distribution (A) a sum of Rs 1,846,438,218.50 be made to the holders of ordinary voting shares and (B) a sum of Rs 457,452,504/- be made to the holders of ordinary non-voting shares respectively, on the basis of Rupees Four and cents Fifty (Rs 4.50) per each share.
 - ii. By way of the allotment of and issue of new shares:
 - A. For voting shares:

A sum of Rs 1,436,118,614.00 be distributed to the holders of ordinary voting shares in the form of a scrip dividend at the rate of Rupees Three and cents Fifty (Rs 3.50) per each share, by the issue of a total of 10,540,320 ordinary voting shares computed on the basis of one (1) ordinary voting share for every 38.9285718080 ordinary voting shares currently in issue (which computation is based on a valuation of Rs. 136.25 per each ordinary voting share).
 - B. For non-voting shares:

A sum of Rs 355,796,392 be distributed to the holders of ordinary non-voting shares in the form of a scrip dividend at the rate of Rupees Three and cents Fifty (Rs 3.50) per each share, by the issue of 3,388,537 ordinary non-voting shares computed on the basis of one (1) ordinary non-voting share for every 30.0000005902 non-voting shares currently in issue (which computation is based on a valuation of Rs 105.00 per each ordinary non-voting share).

Notice of Meeting

- (d) 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 for charitable purposes as may be approved by the Board of Directors.

Fractional shares/entitlement referred to herein will mean the fractions arising after applying the following formula:

In the context of ordinary voting shares

Number of shares held by a shareholder as at end of trading on the AGM Date x 1
38.9285718080

In the context of ordinary non-voting shares

Number of shares held by a shareholder as at end of trading on the AGM Date x 1
30.0000005902

- (e) 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.
- (f) 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.
- (g) 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) 10,540,320 ordinary voting shares to the holders of ordinary voting shares on the basis of one (1) ordinary voting share for every 38.9285718080 ordinary voting shares currently in issue and (b) 3,388,537 ordinary non-voting shares to the holders of ordinary non-voting shares on the basis of one (1) ordinary non-voting share for every 30.0000005902 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 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 purposes, be and is hereby approved.

- iii. To re-elect Dinesh Stephen Weerakkody, who retires at the Annual General Meeting, as a Non- Executive Director of the Bank in terms of Article 34 of the Articles of Association of the Bank.
- iv. To re-elect Mututantrige Parakrama Devaka Cooray as a Non- Executive Director of the Bank in terms of Article 36 of the Articles of Association of the Bank.
- v. To re-elect Dilshan Peter Nirosh Rodrigo, as an Executive Director of the Bank in terms of Article 30 (ii) of the Articles of Association of the Bank.

vi.

- (a) To appoint Messrs KPMG - Sri Lanka (Chartered Accountants) as the Bank's Auditors for the ensuing year.
- (b) To authorize the Board of Directors to determine the remuneration for such Auditors for the ensuing year.

vii. To authorize the Directors to determine payments for the year 2021 for charitable and other purposes.

2. MODALITIES OF CONDUCTING THE 52ND ANNUAL GENERAL MEETING

- (1) In the interest of protecting public health and facilitating compliance with the Health and Safety guidelines issued by the authorities, the 52nd Annual General Meeting of the Bank will be held by participants assembling physically and through audio or audio and visual means in the manner set forth below:
 - (i) The Chairman, certain members of the Board of Directors, the MD/CEO, the Company Secretary, the Bank's Auditor and the Legal Counsel will be assembled at the place/venue specified above;
 - (ii) A maximum of 50 shareholders or such number of shareholders together holding twenty percent (20%) of the issued shares of the Bank, whichever is higher (who registers with the Bank for participation in the Annual General Meeting on a first come first serve basis) will also be allowed to assemble physically and participate in the meeting at the place set out in Paragraph (1) above either in person or by proxy;
 - (iii) All shareholders who, on registration as referred to (ii) above, do not get the opportunity to participate in the meeting by assembling physically at the place referred to in Paragraph (1) above and shareholders who wish to participate at the meeting remotely through audio or audio and visual means, may participate in the Annual General Meeting via MS Teams meeting platform. The shareholders referred to herein who wish to participate at the meeting through audio or audio and visual means should forward their e-mail address to info@hnb.lk not less than 24 hours prior to the time fixed for the meeting to enable the Bank to share the meeting login information.
- (2) All individuals participating at the meeting remotely through audio or audio and visual means are required to identify themselves at the time of voting. Further, Individuals must also identify themselves when speaking at the Annual General Meeting during the time allotted for comments by shareholders as directed by the Chairman. At that point, the individual will be required to give his/her name and address for purposes of identification as a shareholder or proxy.
- (3) If it is likely that the Bank will be unable to post this Notice due to any situation beyond its control, then, this Notice will be published in one issue of a daily newspaper in the Sinhala, Tamil and English languages and if the circumstances permit, in one issue of the Gazette. The Notice will also be published in the Website of the Colombo Stock Exchange (<https://www.cse.lk/home/market>) and the Website (<https://www.hnb.net>) and the Facebook page of the Bank along with the separate proxy formats for voting and non- voting shareholders.
- (4) The shareholders who are unable to participate at the Meeting physically or via audio or audio and visual means could send their queries, if any, to email address info@hnb.lk any time before the meeting time and the responses to same will be included in the minutes of the meeting whilst publishing same in the Report that will be uploaded after the Annual General Meeting in the HNB Website (<https://www.hnb.net>) as well as CSE web site (<https://www.cse.lk/home/market>).

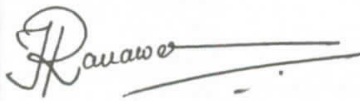
3. PROXIES

- (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.

Notice of Meeting

- (3) The completed Form of Proxy should be emailed to info@hnb.lk or 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.
- (4) The Board of Directors encourages that the shareholders appoints an independent director in the Board as their proxy, having marked their preferences in respect of the agenda items. This is to avoid potential health issues which could arise in light of the prevailing situation in the Country if the shareholders are to participate at the meeting physically.

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.
19th February 2021

NOTICE OF MEETING

SUMMARY OF ARTICLE 22 OF THE ARTICLES OF ASSOCIATION OF HATTON NATIONAL BANK PLC PROCEDURE ON VOTING AND HOW A POLL IS TO BE TAKEN

1. Voting at a meeting of shareholders shall, unless a poll is demanded, be by a show of hands, or voting by voice as may be determined by the Chairman.
2. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands or voting by voice as aforesaid every member who is present at the meeting shall have one (01) vote, and on a poll every member who is present in person at the meeting shall be entitled to one (01) vote for each voting share held by him/her.
3. A declaration by the Chairman of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact, unless a poll is demanded.
4. At a meeting of shareholders, a poll may be demanded on a particular question as provided for in the Companies Act No.7 of 2007 by,
 - the Chairman;
 - not less than five (5) shareholders having the right to vote at the meeting; or
 - a shareholder or shareholders representing not less than ten per centum (10%) of the total voting rights of all shareholders having the right to vote at the meeting.
5. A poll may be demanded either before or after the vote is taken on a resolution. A demand for a poll may be withdrawn any time before the poll is taken.
6. If a poll is taken, votes shall be counted according to the votes attached to the shares of each shareholder present and voting.
7. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
8. A declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, and an entry made to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such a resolution.