

SANASA Development Bank PLC
Minutes of the Extraordinary General Meeting

Date : 19.05.2023

Venue : "Board Room", SANASA Development Bank PLC, No.12, Edmonton Road,
Kirulapone, Colombo 06

Participation : 65 Shareholders (attending via zoom)

1. Subsequent to the 26th Annual General Meeting, Extraordinary General Meeting was commenced at 11.00 a.m.
2. Ms.Tamarika Rodrigo, the Company Secretary read the notice of convening the Extraordinary General Meeting.
3. Special Resolutions

To consider and if thought fit to pass the following resolution as a special resolution.

3.1. 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".

Company Secretary Ms.Tamarika Rodrigo informed the meeting that there were 91,947,669 (98%) votes **"For"** the resolution No.01 and there were no votes **"Against"** the resolution No 01.

Shareholders proposed to be the "Resolution No 01" is correct and proper and seconded it.

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."

Company Secretary Ms.Tamarika Rodrigo informed the meeting that there were 91,947,669 (98%) votes **For** the Resolution No.02 and there were no votes **Against** the Resolution No 02.

Shareholders proposed to be the "Resolution No 02" is correct and proper and seconded it.

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"

Company Secretary Ms.Tamarika Rodrigo informed the meeting that there were 91,947,669 (98%) votes **"For"** the Resolution No.03 and there were no votes **"Against"** the Resolution No 03.

Shareholders proposed to be the "Resolution No 03" is correct and proper and seconded it.

4. **Acknowledgement and Conclusion**

The proceedings of the EGM was concluded at about 12.30 p.m.



Tamarika Rodrigo
Company Secretary

19.05.2023