

# **REQUEST FOR EXPRESSION OF INTEREST**

**For the divestiture of 53.81% shareholding**

**in**

**MBSL Insurance Company Limited**

**by**

**Merchant Bank of Sri Lanka & Finance PLC**  
**BOC Merchant Tower, 28, St. Micheal's Road, Colombo 03, Sri Lanka**

**8th May 2025**

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# 1. Definitions and Principles of Interpretation

## 1.1. Definitions

1.1.1.	<b>Applicable Law</b>	means the laws in force in the Democratic Socialist Republic of Sri Lanka.
1.1.2.	<b>Bidding Process</b>	has the meaning assigned thereto under <b>Clause 2.2.</b>
1.1.3.	<b>Client</b>	means Merchant Bank of Sri Lanka & Finance PLC (MBSL), with whom the successful Prospective Investor signs the Transaction Documents for the Proposed Transaction.
1.1.4.	<b>Coercive Practice</b>	means impairing or harming or threatening to harm, directly or indirectly, persons or their property to influence a decision to be taken in the Bidding Process or the execution of the Transaction Documents, and this will include creating obstructions in the Bidding Process.
1.1.5.	<b>Collusive Practice</b>	means a scheme or arrangement between two or more persons, with or without the knowledge of MBSL and Deloitte, that is designed to arbitrarily reduce the number of EOIs submitted or fix prices at artificial, non-competitive levels, thereby denying MBSL the benefits of competitive price arising from genuine and open competition.
1.1.6.	<b>Consortium</b>	means a Prospective Investor formed by way of a joint venture or other unincorporated group between two or more Persons.
1.1.7.	<b>Consortium Member</b>	means a member of a Consortium.
1.1.8.	<b>Control</b>	means, with respect to any Prospective Investor: (i) direct or indirect beneficial ownership of more than 50% of the equity or voting securities, partnership interest or other format of interest and/or ownership of such Prospective Investor; or (ii) the right to appoint, or cause the appointment of more than 50% of the members of the board of directors (or similar governing body) of such Prospective Investor; or (iii) the right to manage, or direct the management of the assets of such Prospective Investor, whether via a contract or otherwise; or (iv) the right to receive more than 50% of every dividend on company shares, except for shares with no right to participate beyond a specified amount in a distribution of profits or capital. The terms “Controlling”, “Controlled” and “under common Control with” shall be construed accordingly.

<b>1.1.9.</b>	<b>Corrupt Practice</b>	means offering, giving or promising to give, receiving, or soliciting, either directly or indirectly, to / from any officer or employee of any public or private authority or individual, gratuity in any form; employment or any other thing or service of value as an inducement with respect to an act or decision or method followed by MBSL in connection with the Bidding Process or execution of the Transaction Documents.
<b>1.1.10.</b>	<b>Data Sheet</b>	means the data sheet attached as <b>ANNEXURE 2 - Data Sheet</b> .
<b>1.1.11.</b>	<b>Day</b>	means a calendar day.
<b>1.1.12.</b>	<b>EOI</b>	means Expression of Interest submitted by the Prospective Investor.
<b>1.1.13.</b>	<b>Fraudulent Practice</b>	means the misrepresentation or an omission of facts in order to influence a decision to be taken in the Bidding Process or execution of the Transaction Documents.
<b>1.1.14.</b>	<b>Lead Member</b>	means a Consortium Member with the single largest stake in the Consortium and having the authority to represent and bind other Consortium Members and to take decisions on behalf of the Consortium. In case more than one Consortium Member has the same largest stake in the Consortium, a lead member would be identified from amongst them by the Consortium Members at the time of submission of the EOI.
<b>1.1.15.</b>	<b>Letter of Authority</b>	means the letter issued by a Prospective investor (or, where the Prospective Investor is a Consortium, each Consortium Member), substantially in the format set out in <b>ANNEXURE 3.C - Letter of Authority</b> , authorising a Person to sign the EOI Application and to represent the Prospective Investor in connection with the Proposed Transaction under this Request for Expression of Interest.
<b>1.1.16.</b>	<b>Net Worth</b>	For a body corporate, means the value of Total Assets minus the value of Total Liabilities: where <b>Total Assets</b> are defined as total consolidated assets measured in accordance with IFRS or the accounting principles generally accepted in the jurisdiction of incorporation of the entity; where <b>Total Liabilities</b> are defined as the total consolidated liabilities measured in accordance with IFRS or the accounting principles generally accepted in the jurisdiction of incorporation of the entity.
<b>1.1.17.</b>	<b>Party</b>	means either or both the Client and the Prospective Investor, as the context requires.
<b>1.1.18.</b>	<b>Person</b>	means any natural person, business, corporation, company, association, limited liability company, partnership, limited partnership, limited liability partnership, joint venture, business

		enterprise, trust, governmental authority or other legal entity.
<b>1.1.19.</b>	<b>Proposed Transaction</b>	means the divestiture of the 53.81% shareholding in MBSL Insurance Company Limited (MBSLI) by Merchant Bank of Sri Lanka & Finance PLC (MBSL).
<b>1.1.20.</b>	<b>Prospective Investor</b>	Means Persons and Consortiums who submit an EOI in accordance with the provisions of this Request for Expression of Interest.
<b>1.1.21.</b>	<b>Representatives</b>	means, with respect to any Person, such Person's affiliates and the respective partners, managing members, directors, officers, owners, shareholders, co-investors, employees, managers, agents and advisors (including attorneys, accountants, investment bankers, financial advisors) of such Person and such Person's affiliates, together with any actual or potential sources of financing for such Person or its affiliates.
<b>1.1.22.</b>	<b>Restrictive Practice</b>	means forming a cartel or arriving at any understanding or arrangement among Prospective Investors with the objective of restricting or manipulating full and fair competition in the Bidding Process.
<b>1.1.23.</b>	<b>RFP</b>	means Request For Proposals.
<b>1.1.24.</b>	<b>Services</b>	means the work to be performed by the Transaction Advisor in assisting the Proposed Transaction.
<b>1.1.25.</b>	<b>Transaction Advisor</b>	means Deloitte FAS (Pvt) Ltd., of which the registered office is located at No. 100 Baybrooke Place, Colombo 02, Sri Lanka. The same will also be referred as Deloitte.
<b>1.1.26.</b>	<b>Transaction Document(s)</b>	means any legal or formal document that outlines and records the terms, conditions, and specifics of a transaction between parties.
<b>1.1.27.</b>	<b>Ultimate Beneficial Owners (UBOs)</b>	means any natural person that ultimately owns or Controls a sole Prospective Investor and a Consortium Member, irrespective of the legal ownership,
<b>1.1.28.</b>	<b>Undesirable Practice</b>	means: (i) establishing contact with any person connected with or employed or engaged by MBSL with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest.

## **1.2. Principles of Interpretation**

- 1.2.1. Throughout this Request for Expression of Interest (REOI), unless contextually indicated otherwise, the singular also means plural.
- 1.2.2. Any reference in this REOI to any statute or statutory provision shall be construed as including a reference to that statute or statutory provision, and to all statutory instruments, orders and regulations for the time being made pursuant to it or deriving validity from it, as may be from time to time amended, modified, extended or re-enacted, whether before or after the date of this REOI.
- 1.2.3. The words “hereof,” “herein”, “hereunder” and words of similar import when used in this REOI shall refer to this REOI as a whole and not to any particular provision of this REOI. The words “include” and “including” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases or words of like import.
- 1.2.4. The headings and sub clauses of this REOI are intended for convenience only and shall not in any way affect the meaning or construction of any provision therein.
- 1.2.5. References to clauses are, unless the context otherwise requires, references to clauses of this REOI.

## 2. Introduction

### 2.1. Background

The Board of Directors of Merchant Bank of Sri Lanka & Finance PLC (MBSL) at a meeting held on 11<sup>th</sup> July 2024 resolved to grant approval in-principle for the proposed sale of MBSL's entire shareholding of 53.81% in MBSL Insurance Company Limited (MBSLI). The Proposed Transaction will be subject to obtaining the necessary regulatory approvals from the Insurance Regulatory Commission of Sri Lanka (IRCSL) and Central Bank of Sri Lanka (CBSL).

The board of directors of MBSL has engaged Deloitte FAS (Pvt) Ltd., as the Transaction Advisor for the Proposed Transaction.

A teaser document relating to the Proposed Transaction is attached as **ANNEXURE 1 - Teaser**.

### 2.2. Brief description of the Bidding Process

A two-staged competitive bidding process (collectively referred to as the "**Bidding Process**") is adopted for the purposes of this Proposed Transaction.

#### 2.2.1. EOI Stage

- 2.2.1.1. This is the first stage of the Bidding Process which involves Prospective Investors, including Consortiums, submitting EOIs in accordance with the provisions of this REOI
- 2.2.1.2. In the EOI stage, the Prospective Investors are required to furnish all the information specified in the REOI. Only those Prospective Investors, who are shortlisted, will be invited to submit their bids at the RFP stage.

#### 2.2.2. RFP Stage

- 2.2.2.1. At the end of the EOI stage, a list of the shortlisted Prospective Investors who are eligible for participation in the second stage of the Bidding Process (the "**RFP Stage**") comprising Request for Proposals (the "**RFP**") will be announced.
- 2.2.2.2. Subject to shortlisted Prospective Investors executing a Non-Disclosure Agreement ("**NDA**") in the manner and form set out in **ANNEXURE 4 - Non-Disclosure Agreement**, the shortlisted Prospective Investors will be provided with access to the virtual data room.
- 2.2.2.3. The shortlisted Prospective Investors will be provided an opportunity to conduct its required due diligence on MBSLI for a period not more than twenty-eight (28) days, and be provided with access to the draft Transaction Documents.
- 2.2.2.4. In the RFP Stage, the shortlisted Prospective Investors will be called upon to submit their bids in accordance with the RFP and other documents (collectively the "**RFP Documents**"). The shortlisted Prospective Investors will be required to submit their financial and technical proposals as per the terms of the RFP, which will be opened and evaluated in accordance with the procedure set out in the RFP Documents. Further details of the process to be followed at the RFP Stage and the terms thereof will be set out in the RFP Documents.
- 2.2.2.5. The selection of the successful Prospective Investor will be subject to the approval of Insurance Regulatory Commission of Sri Lanka (IRCSL).

### 2.2.3. Timeline

The schedule of the Proposed Transaction shall be as follows. The timeline set out below is indicative and MBSL may, at its sole discretion, amend the timeline by way of an addendum to this REOI.

Event Description		Date/Timeline
EOI Stage		
1	Issuance of REOI	8th May 2025
2	Final date to submit question relating to EOI	On or before 14.00 hours Indian Standard Time on 19th May 2025
4	EOI due date	On or before 14.00 hours Indian Standard Time on 26th May 2025
5	Notification of shortlisted Prospective Investors	02nd June 2025
RFP Stage		
6	Issuance of RFP Documents	02nd June 2025
7	Financial and technical proposals due date	On or before 14.00 hours Indian Standard Time on 7th July 2025
8	Selection of successful Prospective Investor	14th July 2025

### 3. Instructions to Prospective Investors

#### 3.1. General

##### 3.1.1. General terms on submission of EOIs

- 3.1.1.1. The EOI must be furnished as per the templates provided under **ANNEXURE 3 - EOI Templates** and must include the following:

ANNEXURE 3.A	Letter comprising the EOI
ANNEXURE 3.B	General Information of the Prospective Investor
ANNEXURE 3.C	Letter of Authority
ANNEXURE 3.D	Disclosure on Ultimate Beneficial Owners
ANNEXURE 3.E	Undertaking on Conflict of Interest
ANNEXURE 3.F	Letter issued by the group entity, if applicable
ANNEXURE 3.G	EOI checklist

- 3.1.1.2. Other required documents relevant to each type of Prospective Investor which are expected to be submitted are as follow:

Prospective Investor category		Other required documents
3.1.1.2.1.	Body Corporate	1. Copy of Certificate of Incorporation 2. Copy of Articles of Association 3. Affidavit ( <b>ANNEXURE 5 - Affidavit</b> )
3.1.1.2.2.	Consortium	1. A written confirmation that the members of the Consortium have entered into a Consortium Agreement or alternatively, a letter of intent executed by all Consortium Members agreeing to enter into a Consortium. 2. <b>Clause 3.1.1.2.1.</b> as applicable.

- 3.1.1.3. The EOI must be unconditional and unqualified. An EOI that contains qualifications or conditions will be rejected.
- 3.1.1.4. In case any supporting document to the EOI is in a language other than English, the Prospective Investor must also submit a certified English translation of such document which is duly executed in accordance with laws applicable to the Prospective Investor.
- 3.1.1.5. The REOI and all attached documents are, and will remain or become, the property of MBSL and are transmitted to the Prospective Investors solely for the purpose of preparation and the submission of an EOI, in accordance herewith. The Prospective Investors are to treat all information as strictly confidential and must not use it for any purpose other than for the preparation and submission of EOI. The provisions of this Clause will also apply *mutatis mutandis* to any documents submitted by the Prospective Investors and shall be kept confidential.

### **3.1.2. Eligibility Criteria**

The following will apply to determine the eligibility of Prospective Investors for their EOI Stage hereunder.

#### **3.1.2.1. General eligibility criteria**

- 3.1.2.1.1. The Prospective Investor for the EOI Stage may be a single entity, or a group of entities (the “**Consortium**”) with formal intent to acquire MBSL’s entire shareholding of 53.81% in MBSL Insurance Company Limited (MBSLI). A Consortium will be eligible for consideration, subject to the additional conditions set out in **Clause 3.1.2.3.**
- 3.1.2.1.2. However, no Prospective Investor applying individually or as a Consortium Member, as the case may be, can be member of another Prospective Investor.
- 3.1.2.1.3. The Prospective Investor should either;
  - 3.1.2.1.3.1. indicate their experience in the field of financial services in Sri Lanka or outside of Sri Lanka; or
  - 3.1.2.1.3.2. indicate their desire and the ability to operate an insurance business, by providing details of any proposed or existing partnerships with corporate bodies or individuals who have experience in the field of insurance / financial services. A profile of such corporate bodies or individuals should also be provided separately.
- 3.1.2.1.4. The Ultimate Beneficial Owner of any Prospective Investor should not be the same as that of any other Prospective Investor.
- 3.1.2.1.5. The Prospective Investors will be subject to verification and validation under generally accepted Know-Your-Customer and anti-money laundering protocols.

#### **3.1.2.2. Financial eligibility criteria**

- 3.1.2.2.1. Prospective Investors, which are body corporates, must demonstrate a minimum Net Worth of at least Sri Lankan Rupees Five Hundred Million (LKR 500,000,000) or its equivalent, to acquire MBSL’s entire shareholding of 53.81% in MBSLI by providing the Prospective Investor’s latest audited balance sheet, which must be dated not earlier than the 31<sup>st</sup> of March 2024, or the last day of the Prospective Investor’s fiscal year, whichever is later.
- 3.1.2.2.2. For the avoidance of doubt, it is clarified that the threshold of Net Worth set out above is not an indication of the value of the MBSL’s entire shareholding of 53.81% in MBSLI.
- 3.1.2.2.3. Net Worth of a Consortium, for the purpose of EOI Stage, shall be calculated as weighted average of the Consortium Member’s Net Worth in proportion to their shareholding / ownership in the Consortium. No duplication of Net Worth shall be permitted.
- 3.1.2.2.4. A Prospective Investor may rely on the financial capacity of a group entity, provided however two or more Prospective Investors cannot rely on the financial capacity of the same group entity. In the case of a Consortium, all Consortium Members will be permitted to rely on the financial capacity of its respective group entities for the purpose of fulfilling the financial eligibility criteria.

If the Prospective Investor is relying on the financial capacity of a group entity, the aforesaid financial eligibility criteria must be fulfilled by the said group entity. In addition, the said group entity must complete and submit **ANNEXURE 3.G - EOI checklist**.

### **3.1.2.3. Conditions for Consortium**

- 3.1.2.3.1. The EOI must contain information required for each Consortium Member.
- 3.1.2.3.2. Each Consortium Member must satisfy the general eligibility criteria as set out above, and financial eligibility criteria to the extent specified herein. A Consortium must have a Lead Member and such Lead Member must represent and bind all Consortium Members in all matters relating to the Bidding Process. The Lead Member will be liable for any failure or breach by the Consortium and all Consortium Members, in complying with the conditions set out therein.
- 3.1.2.3.3. The Lead Member must be authorised by each of the Consortium Members by way of a Letter of Authority.
- 3.1.2.3.4. No change in the composition of the Consortium will be permitted during the Bidding Process, unless approved by MBSL.

### **3.1.3. Right to accept / reject any or all EOIs**

- 3.1.3.1. MBSL reserves the right to verify all statements, information and documents submitted by the Prospective Investor. Any such verification or lack thereof by MBSL will not relieve the Prospective Investor of its obligations or liabilities hereunder nor will it affect any rights of MBSL thereunder.
- 3.1.3.2. Notwithstanding anything contained in the REOI, MBSL reserves the right to accept or reject any EOI at its absolute discretion.
- 3.1.3.3. MBSL may annul the Bidding Process and reject all EOI, at any time without any liability or any obligation for such acceptance, rejection, or annulment, and invite fresh EOI for the Bidding Process, without assigning any reasons.

### **3.1.4. Clarifications relating to the REOI**

- 3.1.4.1. Any queries or request for additional information concerning this REOI must be submitted by email to the officers designated in **ANNEXURE 2 - Data Sheet**. The communications must clearly bear the following title:

#### ***Queries / Request for Additional Information: EOI – MBSLI***

The Prospective Investors must send in their queries on or before 14.00 hours Indian Standard Time on 19th May 2025.

- 3.1.4.2. MBSL will endeavour to respond to the questions raised or clarifications sought by the Prospective Investors without identifying the source of such queries, on or before 16th May 2025. However, MBSL reserves the right not to respond to any question or provide any clarification, at its sole discretion, and nothing in this Clause can be taken or read as compelling or requiring MBSL to respond to any question or to provide any clarification.
- 3.1.4.3. MBSL may also on its own motion, if deemed necessary, issue interpretations and clarifications to all the Prospective Investors by email. All clarifications and interpretations issued by MBSL will be deemed to be part of the REOI. Verbal clarifications and information given by MBSL / Deloitte or its employees or

representatives will not in any way or manner be binding on MBSL / Deloitte. These clarifications will be published on the Official Website.

### **3.1.5. Correspondence with Prospective Investors**

MBSL, MBSLI and the Transaction Advisor will not entertain any correspondence with any Prospective Investor in relation to acceptance or rejection of any EOI, save and except as provided in the REOI.

### **3.1.6. The Process for Amendments to REOI**

- 3.1.6.1. MBSL may, whether at its own initiative or in response to clarifications requested by a Prospective Investor, modify the REOI by the issuance of an addendum.
- 3.1.6.2. Any Addendum thus issued will be emailed to all Prospective Investors.
- 3.1.6.3. In order to afford the Prospective Investors reasonable time to take into account any change in requirements stipulated in such an addendum into account, or for any other reason, MBSL may, at its own discretion, extend the EOI Due Date.

### **3.1.7. Cost of EOI**

The Prospective Investors will be responsible for all of the costs associated with the preparation of their EOIs and their participation in the Bidding Process. MBSL, MBSLI and the Transaction Advisor will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

## **3.2. Preparation and submission of EOIs**

### **3.2.1. The format and signing of EOIs**

- 3.2.1.1. The Prospective Investor shall provide all the information sought under the REOI. MBSL will evaluate only those EOIs that are received in the required format and which are complete in all respects.
- 3.2.1.2. The EOI shall be signed by the authorised representative of the Prospective Investor as evidenced by the Letter of Authority, who shall also initial each page. In case of printed and published documents, only the cover shall be initialed. All the alterations, omissions, additions or any other amendments made to the EOI shall be initialed by the person signing the EOI.

### **3.2.2. Submission of EOIs**

- 3.2.2.1. The Prospective Investor must submit the EOI in the format specified under **ANNEXURE 3 - EOI Templates**, along with the supporting documentation, in only electronic form (pdf format) to the email address mentioned under Online Submission in **ANNEXURE 2 - Data Sheet** on or before 14.00 hours Indian Standard Time on the EOI Due Date.
- 3.2.2.2. The Prospective Investors must attach clearly marked and referenced continuation sheets if the space provided in the prescribed forms is insufficient. Alternatively, the Prospective Investors may format the prescribed forms making due provision for the incorporation of the requested information. Where any document listed under **ANNEXURE 3 - EOI Templates** is not applicable to any Prospective Investor, the Prospective Investor should not omit such document and must mention “Not Applicable” in respect of such document.

3.2.2.3. **Electronic form (pdf format)** of the EOI must be submitted by email to the email address mentioned under Online Submission in **ANNEXURE 2 - Data Sheet** with subject line “EOI for MBSLI” on or before 14.00 hours Indian Standard Time on the EOI Due Date. All the documents submitted in the electronic form must be the scanned version of the EOI with physical signatures. Submission of the EOI by any other electronic means and / or facsimile will not be accepted.

**3.2.3. Due date for EOIs**

3.2.3.1. MBSL may, in its sole discretion, extend the EOI Due Date by issuing an addendum uniformly to all Prospective Investors.

**3.2.4. Withdrawal of EOIs**

3.2.4.1. A Prospective Investor may withdraw its EOI(s) after submission, provided that written notice of the withdrawal is received by the officers designated in **ANNEXURE 2 - Data Sheet** prior to the EOI Due Date. No EOI shall be withdrawn by the Prospective Investor on or after the EOI Due Date.

3.2.4.2. The withdrawal notice shall be submitted in electronic form

**3.2.5. Validity period of EOIs**

The EOI must be valid till at least the selection of the successful Prospective Investor. The validity of the EOI may be extended at the sole discretion of MBSL.

**3.3. Evaluation and shortlisting**

**3.3.1. Opening and evaluation of EOIs**

3.3.1.1. MBSL will open the EOIs on the EOI Due Date, at the time specified in **ANNEXURE 2 - Data Sheet**.

3.3.1.2. MBSL will subsequently examine and evaluate the EOIs in accordance with this REOI. Only those Prospective Investors who meet the eligibility criteria specified above will qualify for evaluation. The Prospective Investors who do not meet the eligibility criteria will be rejected.

3.3.1.3. Prospective Investors are advised that shortlisting of Prospective Investors will be entirely at the discretion of MBSL. The Prospective Investors will be deemed to have understood and agreed that no explanation or justification on any aspect of the Bidding Process, including the shortlisting of Prospective Investors, will be given.

3.3.1.4. Information relating to the examination, clarification and evaluation of EOIs shall not be disclosed to Prospective Investors or any other parties not officially concerned with such process.

**3.3.2. Additional information**

3.3.2.1. MBSL or the Transaction Advisor may, at its sole, absolute and unfettered discretion, ask for additional information and / or seek clarifications from a Prospective Investor after the EOI Due Date, and the Prospective Investor shall respond in the manner and form directed by MBSL or the Transaction Advisor within a period of three (3) Days from the date of the request, unless otherwise specified by MBSL or the Transaction Advisor.

3.3.2.2. Any additional information supplied subsequent to the EOI Due Date, unless the same has been expressly sought for by MBSL or the Transaction Advisor, will be disregarded.

### **3.3.3. Waiver of nonconformities in EOIs**

MBSL may, in its sole discretion, waive any minor nonconformity in an EOI which does not constitute a material deviation, and which does not prejudice or affect the determination of responsiveness or evaluation of the EOIs in accordance with the provisions of the REOI.

## **4. Miscellaneous**

### **4.1. Confidentiality**

Information relating to the examination, clarification, evaluation of Prospective Investors, and recommendation for shortlisting of Prospective Investors will not be disclosed to any person who is not officially concerned with the process or is not a retained professional adviser advising MBSL in relation to, or matters arising out of, or concerning the Bidding Process. MBSL and the Transaction Advisor will treat all information, submitted as part of EOI, in confidence and will require all those who have access to such material to treat the same in confidence. MBSL and the Transaction Advisor will not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or if the statutory entity and/or MBSL and the Transaction Advisor is required to enforce or assert any right or privilege or as may be required by law or in connection with any legal process.

### **4.2. Grounds for exclusion**

#### **4.2.1. Conflict of Interest**

4.2.1.1. A Prospective Investor must not have a conflict of interest that affects the Bidding Process ("**Conflict of Interest**"). Any Prospective Investor found to have a Conflict of Interest will be disqualified. Without limiting the generality of the above, a Prospective Investor will be deemed to have a Conflict of Interest that affects the Bidding Process if:

- 4.2.1.1.1. such Prospective Investor has a relationship with another Prospective Investor, either directly or through common third parties, that puts them in a position to influence the EOI of the other;
- 4.2.1.1.2. such Prospective Investor has participated as a consultant(s) and/or adviser(s) or has directly assisted MBSL in the preparation of any documents relating to the Bidding Process and/or the Transaction Documents;
- 4.2.1.1.3. such Prospective Investors employs or has employed or has otherwise engaged an officer or employee of MBSL and/or MBSLI in relation to this Proposed Transaction;
- 4.2.1.1.4. Such Prospective Investor appoints or has otherwise engages any adviser appointed by MBSL in relation to this Proposed Transaction, for matters related to or incidental to this Proposed Transaction or the Bidding Process.

#### **4.2.2. Fraud / Corruption**

The Prospective Investors and their respective officers, employees, agents and advisors must observe the highest standard of ethics during the Bidding Process. Should any Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice, Undesirable Practice or Restrictive Practice come to the knowledge of MBSL, it shall reject the Prospective Investor. Such action and reasons thereof will be recorded and promptly communicated to the concerned Prospective Investor. Any communications between the Prospective Investor and MBSL related to the matters of any alleged Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice, Undesirable Practice or Restrictive Practice in the Bidding Process will be in writing. The Prospective Investors must be compliant with anti-bribery, anti-corruption laws, which are applicable to the Prospective Investor and must not have been convicted of any such criminal activities or other criminal activities involving dishonesty, physical violence or harm to human life nor be the subject of credible and/or persistent allegations related to, or is under investigation for any such criminal activities.

#### **4.2.3. Liability**

It will be deemed that by submitting the EOI, the Prospective Investor agrees and releases MBSL, MBSLI and the Transaction Advisor, and their respective employees, agents and advisors, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and / or performance of any obligations hereunder and the RFP Documents, pursuant hereto, and / or in connection with the Bidding Process, to the fullest extent permitted by Applicable Law, and waives any and all rights and / or claims it may have in this respect, whether actual or contingent and whether present or in future.

#### **4.2.4. Governing Law and jurisdiction**

The Bidding Process will be governed by, and construed in accordance with, the laws of Sri Lanka. Any disputes arising under, pursuant to and / or in connection with the Bidding Process will be subject to the exclusive jurisdiction of Sri Lankan courts.

## 5. Disclaimer

- 5.1. This REOI has been prepared on a best-efforts basis and all information relating to MBSLI set out in this REOI has been extracted from published sources of information.
- 5.2. Any opinions in this REOI have been expressed in good faith. The information contained in this REOI may be subject to material update, revision, and further amendments, as permitted in this REOI. However, neither the MBSL, MBSLI, Transaction Advisor nor any of their respective consultants, employees, agents or advisors:
  - 5.2.1. undertake or is obligated to update this REOI to reflect events subsequent to the date of this REOI or the date as of which any information is reflected in this REOI;
  - 5.2.2. make any representation or warranty (expressed or implied) as to the authenticity, accuracy, sufficiency or completeness of the information contained herein or in any other document made available to a Prospective Investor (at any time) in connection with the Bidding Process;
  - 5.2.3. will have any liability under the REOI or for any other written or oral communication transmitted to a Prospective Investor in connection with the Proposed Transaction; or
  - 5.2.4. will be liable to reimburse or compensate a Prospective Investor for any costs or expenses incurred by a Prospective Investor in evaluating or acting upon this REOI or otherwise in connection with the Proposed Transaction.
- 5.3. This REOI constitutes an invitation to submit an EOI. The submission of an EOI does not create or vest in favour of a Prospective Investor any right, interest or claim in relation to this Bidding Process and / or the Proposed Transaction. This REOI does not constitute an offer of shares to the public or an invitation to the public to subscribe to shares, a solicitation to invest or otherwise participate in the Proposed Transaction.
- 5.4. The circulation of this REOI or any of its content is not to be construed as any form of commitment or offer by MBSL to proceed with the Proposed Transaction.
- 5.5. Prospective Investor must make their own analysis of the information contained in this REOI and all matters pertaining to the Proposed Transaction and rely on their own assessment for participating in the Bidding Process
- 5.6. Prospective Investor must keep this REOI, and all information made available to them strictly confidential. The circulation of this REOI by any entity other than MBSL and the Transaction Advisor is strictly prohibited.

## **ANNEXURE 1 - Teaser**

*(Shared separately)*

## ANNEXURE 2 - Data Sheet

Issuer of REOI	Merchant Bank of Sri Lanka & Finance PLC BOC Merchant Tower, 28, St. Micheal's Road, Colombo 03, Sri Lanka
Contact Persons	Mr. Dishan Vitharanage Manager, Merchant Bank of Sri Lanka & Finance PLC BOC Merchant Tower, 28, St. Micheal's Road, Colombo 03, Sri Lanka Email : <a href="mailto:mbslieoi@mbslbank.com">mbslieoi@mbslbank.com</a>  Ms. Amaranthi Casseer Manager, Deloitte FAS (Pvt) Ltd. 100, Braybrooke Place, Colombo 02, Sri Lanka Email: <a href="mailto:inqproeagle@deloitte.com">inqproeagle@deloitte.com</a>
Official Website	<a href="http://www.mbslbank.com">www.mbslbank.com</a>
EOIs to be addressed to	Chairman, Merchant Bank of Sri Lanka & Finance PLC BOC Merchant Tower, 28, St. Micheal's Road, Colombo 03, Sri Lanka
Online Submission	Email : <a href="mailto:mbslieoi@mbslbank.com">mbslieoi@mbslbank.com</a>
EOI Due Date	On or before 14.00 hours Indian Standard Time on 26th May 2025
Time and Date for Opening of EOIs	At 15.00 hours Indian Standard Time on 26th May 2025

### **ANNEXURE 3 - EOI Templates**

ANNEXURE 3.A	Letter comprising the EOI
ANNEXURE 3.B	General Information of the Prospective Investor
ANNEXURE 3.C	Letter of Authority (except where the Prospective Investor is an individual)
ANNEXURE 3.D	Disclosure on Ultimate Beneficial Owners
ANNEXURE 3.E	Undertaking on Conflict of Interest
ANNEXURE 3.F	Letter issued by the group entity, if applicable
ANNEXURE 3.G	EOI checklist

## ANNEXURE 3.A - Letter comprising the EOI

*(On the letter head of the Prospective Investor or the Lead Member, in the event of a Consortium)*

*(Date)*

Chairman,  
Merchant Bank of Sri Lanka & Finance PLC  
BOC Merchant Tower, 28, St. Micheal's Road,  
Colombo 03, Sri Lanka

### **EOI - MBSL Insurance Company Limited (MBSLI)**

Dear Sir/Madam,

1. With reference to the REOI dated 8th May 2025, I/we, having examined the REOI and understood its contents, hereby submit my/our EOI. Capitalized terms not defined herein shall have the same meanings as ascribed to them in the REOI. The EOI is unconditional and unqualified.
2. All information provided in the EOI and in the appendices is true and correct.
3. I/We hereby confirm that my/our interest is to acquire Merchant Bank of Sri Lanka & Finance PLC's (MBSL's) entire shareholding of 53.81% in MBSLI. This statement is made for the express purpose of qualifying as a Prospective Investor for the acquisition of MBSL's entire shareholding of 53.81% in MBSLI.
4. I/We shall make available to MBSL any additional information it may find necessary or require to supplement or authenticate the EOI.
5. I/We acknowledge the right of MBSL to reject my/our EOI without assigning any reason or otherwise and hereby waive our right to challenge the same on any account whatsoever.
6. I/We declare that:
  - 6.1. I/We have examined and have no reservations to the REOI, including any addendum issued by MBSL.
  - 6.2. I/We do not have any Conflict of Interest in accordance with the provisions of the REOI;
  - 6.3. I/We have not directly or indirectly or through an agent or any for us or on our behalf has engaged or indulged in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice, Undesirable Practice or Restrictive Practice, as set out under **Clause 4.2.2** of the REOI, in respect of any tender issued by or any agreement entered into with any other entity;
  - 6.4. I/We hereby certify that we are compliant with applicable anti-bribery, anti-money laundering and anti-corruption laws, and have not been convicted of any such criminal activities or other criminal activities involving dishonesty, physical violence or harm to human life nor be the subject of credible and/or persistent allegations related to, or is under investigation for any such criminal activities; and
  - 6.5. I/We hereby certify that we have taken steps to ensure conformity with the provisions of **Clause 4.2.2** of the REOI;
7. I/We understand that MBSL may cancel the Bidding Process at any time and that MBSL may reject all EOIs at any time or may not proceed with the RFP Stage, without incurring any liability to the Prospective Investors.

8. I/We declare that we/any Consortium Member do not have a relationship with another Prospective Investor, either directly or through common third parties, which puts us in a position to influence the EOIs and/or the bids of the other Prospective Investors.
9. I/We declare that I/we have obtained all requisite corporate and regulatory authorizations, under and in accordance with the Applicable Law and applicable laws of our jurisdiction of incorporation, required for submitting the EOI and undertake the obligations pursuant to the EOI and as set out in the REOI.
10. I/We acknowledge that the EOI shall be valid at least until the selection of the successful Prospective Investor and may be extended at the sole discretion of MBSL.
11. I/We certify that in the last thirty (36) months preceding the EOI Due Date, we/any of the Consortium Members have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Prospective Investor or the Consortium Member, as the case may be, nor have been expelled from any contract by any public entity nor have had any contract terminated by any public entity for breach by such Prospective Investor or Consortium Member.
12. I/We certify that, we have not been convicted by a court of law nor have adverse orders been passed, or been blacklisted or an administrative sanction imposed, by a court of law, government department or regulatory authority, or which could cast a doubt on our ability to acquire MBSL's entire shareholding of 53.81% in MBSL or relating to offences involving bribery and/or corruption or any other grave offence that outrages the moral sense of the community.
13. I/We further certify that no investigation by a regulatory authority is pending either against us/any Consortium Member or against our/their associates or against our Chief Executive Officer or any of our directors/managers, including but not limited to litigations or other proceedings relating to bribery and/or corruption.
14. I/We have not suffered bankruptcy/insolvency or filed for bankruptcy/ insolvency/ liquidation proceedings during a period of twelve (12) months immediately preceding the EOI Due Date.
15. I/We undertake that in case of any change in facts or circumstances during the Bidding Process, we shall intimate MBSL of the same immediately.
16. [We acknowledge that our Consortium is qualified on the basis of the additional requirements set out under **Clause 3.1.2.3** of the REOI].\*
17. [We acknowledge and agree that in the event of a change of control of the Lead Member whose capacity was taken into consideration for the purposes of EOI Stage under and in accordance with the REOI, or in the event of a change in the composition of the Consortium after the EOI Stage and prior to the submission of bids at the RFP Stage, I/we shall inform MBSL forthwith along with all relevant particulars and MBSL may, in its sole discretion, disqualify us or withdraw the letter of intent, as the case may be. We further acknowledge and agree that any such breach would, notwithstanding anything to the contrary contained in the Transaction Documents, be deemed a breach thereof, and the Transaction Documents shall be liable to be terminated without MBSL being liable to us in any manner whatsoever].\*
18. I/We hereby irrevocably waive any right which we may have at any stage in law or howsoever otherwise arising to challenge or question any decision taken by MBSL in

connection with the shortlisting of the Prospective Investors, or in connection with the Bidding Process itself and the terms and implementation thereof.

19. I/We understand that except to the extent as expressly set forth in the REOI, I/we shall have no claim, right or title arising out of any documents or information provided to us by MBSL or in respect of any matter arising out of it.
20. I/We agree and undertake to abide by all the terms and conditions of the REOI.
21. [We agree and undertake to be jointly and severally liable for all our obligations under the Transaction Documents.]\*

In witness thereof, I/we submit this EOI under and in accordance with the terms of the REOI.

Yours faithfully,

(Signature of the authorised representative)

(Name and designation of the authorised representative)

\*Paragraphs in square parenthesis must be struck off by Prospective Investors other than Consortiums.

## ANNEXURE 3.B - General Information of the Prospective Investor

1. Details of the Prospective Investor
  - 1.1. Name
  - 1.2. Nature of Prospective Investor (sole Prospective Investor/Consortium)
  - 1.3. Country of incorporation/registration
  - 1.4. Address of the corporate headquarters and its branch office(s), if any, in Sri Lanka
  - 1.5. Date of incorporation/ registration and/or commencement of business
2. Particulars of the authorised representative of the Prospective Investor
  - 2.1. Name
  - 2.2. Designation
  - 2.3. Address
  - 2.4. Email
  - 2.5. Phone Number
3. In case of a Consortium, the role of each Consortium Member and its shareholding or ownership of the Consortium is set out below.

Name of the Consortium Member	Role	Shareholding/Ownership of the Consortium

4. Documents to be annexed:
  - 4.1. The Prospective Investors's profile and background (which should also state whether the entity is listed or not, number of years of business operations, nature of business operations and cover the requirement under **Clause 3.1.2.1.4.**), including brief biographies of key personnel (minimum of 5 key personnel, where each biography should cover basic personal information, occupation, qualifications, work or professional experiences, etc.,)
  - 4.2. Copies of constitutional documents of the Prospective (e.g.- Memorandum and Articles of Association), as appropriate, certified/issued by the relevant commercial registry.
  - 4.3. Copies of statutory filings relating to the Prospective Investor confirming the latest directors and members of the Prospective Investor (e.g.- copies of filings with commercial registries), certified/issued by the relevant commercial registry.

- 4.4. In the event of a Consortium, a written confirmation that the Consortium Members have entered into a Consortium Agreement or alternatively, a letter of intent executed by all Consortium Members agreeing to enter into a Consortium Agreement.
- 4.5. Financials:
  - 4.5.1. For body corporates, the latest audited financial statement, which must be dated not earlier than 31st March 2024, or the last day of the fiscal year of the Prospective Investor / Consortium Member, whichever is later to demonstrate a minimum Net Worth of at least Sri Lankan Rupees Five Hundred Million (LKR 500,000,000) or its equivalent. The audited financial statements must be certified by the Prospective Investor's auditor; and

## ANNEXURE 3.C - Letter of Authority

*(On the letter head of the Prospective Investor)*

*(Date)*

Chairman,  
Merchant Bank of Sri Lanka & Finance PLC  
BOC Merchant Tower, 28, St. Micheal's Road,  
Colombo 03, Sri Lanka

### Letter of Authority

Dear Sir/Madam,

1. This is with reference to the REOI for the acquisition of Merchant Bank of Sri Lanka & Finance PLC's (MBSL's) entire shareholding of 53.81% in MBSL Insurance Company Limited (MBSLI).
2. We [insert name of the Prospective Investor (in the case of a Consortium, the Lead Member)] designate [insert name of the authorised person] currently acting as [insert designation] in the [insert name of Prospective Investor (in the case of a Consortium, the Lead Member)] as our authorised representative ("**Authorised Representative**") to execute under hand or under seal all documents, deliver and receive any document or instrument, engage in negotiations, attend and represent us in meetings and do all things necessary and incidental to the Proposed Transaction including but not limited to submitting the EOI, addressing any request for clarification and other communications and signing the Transaction Documents.
3. The Authorised Representative may be identified by the below signature and enclosed copies of self-certified identity documents. [Please attach self-certified copies of 2 (two) identity documents issued by a governmental or regulatory authority.]

Signature of the Authorized Representative:	
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4. We confirm that we shall be unconditionally bound by all commitments and actions undertaken by the Authorised Representative on our behalf.
5. This Letter of Authority is being issued in compliance with our constitutional/governing documents and proof of such authorisation is attached hereto. This Letter of Authority shall remain valid throughout the Bidding Process.
6. Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI.

Yours faithfully,

(Signature of the authorised signatory of the Prospective Investor)

(Name and designation of the authorised signatory of the Prospective Investor)

## ANNEXURE 3.D - Disclosure on Ultimate Beneficial Owners

*(On the letter head of the Prospective Investor or each Consortium Member, in the event of a Consortium)*

*(Date)*

Chairman,  
Merchant Bank of Sri Lanka & Finance PLC  
BOC Merchant Tower, 28, St. Micheal's Road,  
Colombo 03, Sri Lanka

### **EOI - MBSL Insurance Company Limited (MBSLI)**

Dear Sir/Madam,

We write with reference to the captioned EOI. Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI.

Our shareholding structure is set out in the flow chart attached as annexure hereto. Accordingly, the details of our Ultimate Beneficial Owners are set out below.

1. The nature of our entity: [Please indicate whether or not the sole Prospective Investor / Consortium Member is a body corporate.]
2. We confirm that we are listed on [insert name of the stock exchange] / not listed on a stock exchange. [Please complete item 3 below, as applicable, if the sole Prospective Investor / Consortium Member is not a listed entity]
3. To be completed by sole Prospective Investors and Consortium Members which are body corporates:
  - 3.1. The details of our Ultimate Beneficial Owner(s) are set out below. [Please include details of UBOs, who are individuals. If a beneficial owner of the sole Prospective Investor / Consortium Member is a listed entity, please set out the details of the listed entity in the paragraph (3.2) below after completing the table. For avoidance of doubt, it is confirmed that details of beneficial owners of listed entity / entities are not required to be set out in the table below. If a beneficial owner is not a body corporate, please complete the paragraph (3.3) below after completing the table]

Nature of UBO	Name	Registration No. and Address OR Passport No. National Identification No.	Direct/Indirect Ownership Interest Percentage in the Prospective Investor or Consortium Member
[Individual/Listed Entity]			

3.2. We confirm that [insert name(s) of the entity / entities who are our beneficial owner(s)] is/are listed on [insert name of the stock exchange].

We acknowledge and agree that additional information may be sought regarding the above in accordance with **Clause 3.3.2** of the REOI.

Yours faithfully,

(Signature of the authorised representative)

(Name and designation of the authorised representative)

## **ANNEXURE 3.E - Undertaking on Conflict of Interest**

*(On the letter head of the Prospective Investor or each Consortium Member, in the event of a Consortium)*

*(Date)*

Chairman,  
Merchant Bank of Sri Lanka & Finance PLC  
BOC Merchant Tower, 28, St. Micheal's Road,  
Colombo 03, Sri Lanka

### **EOI - MBSL Insurance Company Limited (MBSLI)**

Dear Sir/Madam,

We write with reference to the captioned EOI. Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI.

We hereby state that:

1. any and all business relationships with MBSL and MBSLI are disclosed below: [Please include information or provide a negative confirmation]
2. any and all business/family relationships between any officers or employees of MBSL , MBSLI and Transaction Advisors / other advisers appointed by MBSL relating to the Proposed Transaction are disclosed below: [Please include information or provide negative confirmation(s)]
3. any actual or potential Conflict of Interest are disclosed below. [Please include information or provide negative confirmation(s). Please refer **Clause 4.2.1** on deemed Conflict of Interest.]

We are aware, and agree to the condition, that the non-disclosure of any of the above may result in the rejection of the EOI and our disqualification as a Prospective Investor.

Yours faithfully,

(Signature of the authorised representative)

(Name and designation of the authorised representative)

## ANNEXURE 3.F - Letter issued by the group entity

*(On the letter head of the group entity)*

*(Date)*

Chairman,  
Merchant Bank of Sri Lanka & Finance PLC  
BOC Merchant Tower, 28, St. Micheal's Road,  
Colombo 03, Sri Lanka

### EOI - MBSL Insurance Company Limited (MBSLI)

Dear Sir/Madam,

We write with reference to the captioned EOI. Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI.

In continuation of the EOI dated [insert date] submitted by [insert name of the Prospective Investor] (hereinafter referred to as "**Prospective Investor**"), the undersigned being duly authorised to represent and act on behalf of [insert name of the Group Entity] (hereinafter referred to as the "**Group Entity**"), and having fully understood the eligibility requirements, other information and undertakings provided by the Prospective Investor pursuant to the EOI hereby confirm that:

1. We have read and understood the contents of the REOI, and documents submitted by the Prospective Investor pursuant to the REOI.
2. We confirm that we are a Group Entity of [insert name of Prospective Investor / Consortium Member] and that our shareholding in the [Prospective Investor / Consortium Member] is not less than 26% of the total shareholding / ownership of the [Prospective Investor / Consortium Member].
3. [Insert name of the Group Entity] shall be jointly and severally liable along with the Prospective Investor for any obligation of the Prospective Investor under any document and undertaking executed by the Prospective Investor pursuant to the EOI and in relation to the Proposed Transaction. We will also sign and be parties to all Transaction Documents, as required.
4. All conditions prescribed in the REOI and the undertakings provided by the Prospective Investor, including the criteria for eligibility shall be applicable to [insert name of Group Entity] and we undertake to comply with all such conditions.

Yours faithfully,

(Signature of the authorised representative)

(Name and designation of the authorised representative)

### ANNEXURE 3.G - The EOI checklist

Item No.	Item	Checked by Prospective Investor	Checked by MBSL / Transaction Advisor
1	ANNEXURE 3.A - Letter comprising the EOI		
2	ANNEXURE 3.B - General Information of the Prospective Investor		
3	<p>Documents to be annexed to ANNEXURE 3.B</p> <p>The Prospective Investors's profile and background (which should also state whether the entity is listed or not, number of years of business operations, nature of business operations and cover the requirement under <b>Clause 3.1.2.1.4.</b>), including brief biographies of key personnel (minimum of 5 key personnel, where each biography should cover basic personal information, occupation, qualifications, work or professional experiences, etc.,)</p>		
4	Copies of constitutional documents of the Prospective (e.g.- Memorandum and Articles of Association), as appropriate, certified/issued by the relevant commercial registry.		
5	Copies of statutory filings relating to the Prospective Investor confirming the latest directors and members of the Prospective Investor (e.g.- copies of filings with commercial registries), certified/issued by the relevant commercial registry.		
6	In the event of a Consortium, a written confirmation that the Consortium Members have entered into a Consortium Agreement or alternatively, a letter of intent executed by all Consortium Members agreeing to enter into a Consortium Agreement.		

7	ANNEXURE 5 - Affidavit		
8	For body corporates, the latest audited financial statement, which must be dated not earlier than 31st March 2024, or the last day of the fiscal year of the Prospective Investor / Consortium Member, whichever is later to demonstrate a minimum Net Worth of at least Sri Lankan Rupees Million (LKR 500,000,000) or its equivalent. The audited financial statements must be certified by the Prospective Investor's auditor; and		
9	ANNEXURE 3.C - Letter of Authority		
10	ANNEXURE 3.D - Disclosure on Ultimate Beneficial Owners		
11	ANNEXURE 3.F - Letter issued by the group entity		
12	ANNEXURE 3.G - The EOI checklist		

## ANNEXURE 4 - Non-Disclosure Agreement

DRAFT- 07.05.2025

### NON-DISCLOSURE AGREEMENT

THIS AGREEMENT is made and entered into at the place/s and on the day/s hereinafter mentioned by and between , ..... a Company duly incorporated in Sri Lanka and presently registered under the Companies Act No. 7 of 2007 bearing Company registration No. .... and having its Registered Office at .....(Hereinafter sometimes referred to as the **"RECIPIENT"**, which term or expression as herein used shall where the context so requires or admits, mean and include the said ..... and its successors) of the **FIRST PART, MERCHANT BANK OF SRI LANKA & FINANCE PLC**, a Company duly incorporated in Sri Lanka and presently registered under the Companies Act No. 7 of 2007 bearing Company Registration No. PQ 10 and having its Registered Office at Bank of Ceylon Merchant Tower, No. 28, St. Michael's Road, Colombo 3 (hereinafter sometimes referred to as **"MBSL"**, which term or expression as herein used shall where the context so requires or admits, mean and include the said **MERCHANT BANK OF SRI LANKA & FINANCE PLC** and its successors) of the **SECOND PART** and **MBSL INSURANCE COMPANY LIMITED**, a Company duly incorporated in Sri Lanka and presently registered under the Companies Act No. 7 of 2007 bearing Company Registration No. PB 900 and having its Registered Office at No. 519, T B Jayah Mawatha, Colombo 10 in the said Republic of Sri Lanka (hereinafter sometimes referred to as **"MBSLI"**, which term or expression as herein used shall where the context so requires or admits, mean and include the said **MBSL INSURANCE COMPANY LIMITED** and its successors) of the **THIRD PART**

(The RECIPIENT, MBSLI and MBSL are hereinafter sometimes collectively referred to as **"the Parties"** and each individually as **"a Party"**)

#### WHEREAS:

- A. MBSL, being the major shareholder of MBSLI intends to sell its entire shareholding in MBSLI to a prospective purchaser subject to obtaining the necessary approvals relating thereto.
- B. The RECIPIENT being interested in submitting a Proposal with regard to purchasing the said shares from MBSL has requested certain confidential and proprietary information pertaining to MBSLI for the purpose of preparing and submitting the said Proposal and MBSL and MBSLI have agreed to provide such information to the RECIPIENT for the said purpose, subject to the terms and conditions contained herein.
- C. In view of the confidential private and proprietary nature of the information to be disclosed by MBSL and/or MBSLI to the RECIPIENT, the Parties deemed it necessary to enter into this Agreement to set out the terms of understanding between themselves in this regard.

**NOW THEREFORE IN CONSIDERATION OF THE MUTUAL REPRESENTATIONS AND COVENANTS CONTAINED HEREIN THE PARTIES HEREBY AGREE AS FOLLOWS:**

**1.0 DEFINITIONS**

1.1 In this Agreement, unless the context otherwise requires:

**“Confidential Information”** means all information of whatever kind or nature (whether in writing, in computer software, orally, by demonstration, description, inspection or otherwise) pertaining to MBSLI which may be received by the RECIPIENT or the employees, directors, agents or representatives of the RECIPIENT, directly or indirectly from MBSL and/or MBSLI or the employees, directors, agents or representatives of MBSL and/or MBSLI, whether marked “confidential” or by its nature is intended to be confidential or if orally disclosed identified as “confidential” at the time of disclosure, **including, but not limited to:**

- (i) all data, reports, documents, computer programs, business activities, marketing and sales activities, know-how, formulae, processes, designs, drawings, photographs, specifications , forecasts, opinions, estimates, projections, plans, graphs, financial and other information pertaining to MBSLI and/or its businesses and affairs, employees, Customers, Suppliers, Directors, Shareholders, etc ;
- (ii) all items which come into existence through modifications or developments to such information, any reports, analysis, studies, memoranda or other documents prepared by or for the RECIPIENT incorporating, deriving from, or reflecting such information, and such other items arising directly or indirectly from the RECIPIENT’s use of such information;

but **does not include** information which:

- (a) is already in public knowledge or has become public knowledge otherwise than through any unauthorized disclosure or other breach of such restriction or the fault or wrongful act of the RECIPIENT;
- (b) MBSL and/or MBSLI (as the case may be) has consented in writing to be disclosed; or
- (c) is required to be disclosed by operation of any laws, or by an Order of any Court of competent jurisdiction or by any rule or regulation of any statutory, regulatory or governmental authority (provided in any case that the RECIPIENT shall give MBSL and MBSLI immediate written notice of such requirements for disclosure so that MBSL and/or MBSLI may seek to obtain orders against such disclosure, if deemed necessary by MBSL and/or MBSLI ).

**2.0 PURPOSE AND USE**

2.1 The parties hereby agree that the Confidential Information shall be provided to the RECIPIENT solely for the purpose mentioned above and not for any other purpose or for the benefit of the RECIPIENT and the RECIPIENT shall use, copy or reproduce the Confidential Information only for the said purpose and shall not use the Confidential Information or permit the Confidential Information to be used for any other purpose or for the benefit of the RECIPIENT, without the prior written consent of MBSL and/or MBSLI (as the case may be).

### **3.0 CONFIDENTIALITY AND NON DISCLOSURE**

- 3.1 Subject to the provisions contained below, the RECIPIENT shall hold and treat the Confidential Information as “strictly confidential” using the same care and caution, which the RECIPIENT affords to its own Confidential Information, but no less than a reasonable degree of care and shall not without the prior written consent of MBSL and/or MBSLI (as the case may be ),
- a) disclose the Confidential Information or permit the Confidential Information to be disclosed to any other person or entity other than its directors, employees, professional advisers, agents and/or representatives, who need to know such information in connection with the said purpose and who are bound by a Non-Disclosure Agreement or confidentiality obligations consistent with and at least as protective as this Agreement, or,
  - b) disclose to any person other than the persons mentioned in Clause 3.1 (a) above, the fact that the RECIPIENT has requested or received Confidential Information from MBSL and/or MBSLI or any details thereof.
- 3.2 The obligations of confidentiality and restrictions on the use or disclosure of information under this Agreement shall not apply to any information which,
- (a) is already in public knowledge or has become public knowledge otherwise than through any unauthorized disclosure or other breach of such restriction or the fault or wrongful act of the RECIPIENT;
  - (b) MBSL and/or MBSLI (as the case may be) has consented in writing to be disclosed; or
  - (c) is required to be disclosed by operation of any laws, or by an Order of any Court of competent jurisdiction or by any rule or regulation of any statutory, regulatory or governmental authority

### **4.0 PROTECTION, SECURITY MEASURES AND CONTROL**

- 4.1 The RECIPIENT shall:
- (a) keep all Confidential Information in tangible or documented form separate from other items or documents of the RECIPIENT; and,
  - (b) effect and maintain adequate security measures to safeguard the Confidential Information from access or use by unauthorized persons and to keep the Confidential Information under the RECIPIENT’s control, such measures being at least to the same standard of care as used by the RECIPIENT for its own Confidential Information, but no less than a reasonable degree of care.
- 4.2 The RECIPIENT shall take necessary steps and ensure that its directors, employees, professional advisers, agents and representatives mentioned in Clause 3.1 above shall comply with the terms of this Agreement, as binding upon them.
- 4.3 The RECIPIENT shall be responsible to MBSL and/or MBSLI (as the case may be) for any failure by any director, employee, professional adviser, agent or representative of the RECIPIENT to observe the conditions of this Agreement regarding the use and secrecy of the Confidential Information.

- 4.4 The RECIPIENT hereby agrees and acknowledges that the confidentiality obligations under this Agreement are in addition to the duties of confidentiality which are imposed upon the RECIPIENT by law and in equity and under any other Agreement between the RECIPIENT and MBSL and/or MBSLI.

## **5.0 RETURN OF CONFIDENTIAL INFORMATION**

- 5.1 Neither this Agreement nor the disclosure of the Confidential Information shall grant or imply the grant of any rights to the RECIPIENT in respect of any patent, copyright, trademark, or any other intellectual property rights of MBSL and/or MBSLI.
- 5.2 The Confidential Information and all copies thereof shall remain the property of MBSL and/or MBSLI (as the case may be) and at the request of MBSL and/or MBSLI (as the case may be) such information shall either be promptly returned to MBSL and/or MBSLI (as the case may be) or destroyed by the RECIPIENT, with such destruction confirmed in writing to MBSL and/or MBSLI (as the case may be).

## **6.0 NO PROMISE, LIABILITY, REPRESENTATION OR WARRANTY BY MBSL**

- 6.1 Neither MBSL nor any of its directors, employees, agents, or representatives,
- (i) have made or make any representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential Information , or
  - (ii) shall have any liability whatsoever to the RECIPIENT for any losses or damages resulting from the use of the Confidential Information or any errors therein or omissions therefrom, unless such losses or damages resulted from the malicious or willful acts of MBSL and/or its Directors, employees, agents or representatives.
- 6.2 Neither this Agreement nor the disclosure or receipt of Confidential Information hereunder shall constitute or imply any promise or intention or any commitment or obligation by MBSL to accept any Bids or Offers made by the RECIPIENT to purchase the said shares.

## **7.0 CONSEQUENCES OF BREACH**

- 7.1 If any of the parties hereto breach any of the terms and conditions contained herein, such party shall keep the other parties hereto freed and indemnified and held harmless from and against all actions, proceedings, liabilities, expenses, losses and damages whatsoever arising as a result of the breach of this Agreement by such party.
- 7.2 The parties hereby acknowledge that monetary damages alone may be an inadequate remedy for breach of any obligations under this Agreement. In addition to any other remedy which may be available in law or equity, the parties hereto shall be entitled to any specific performances or injunctive relief or other equitable relief to prevent a breach of this Agreement.

## **8.0 MISCELLANEOUS**

### **8.1 Non Waiver**

No omission or delay in exercising any rights under this Agreement by any party shall operate as a waiver thereof nor shall any single or partial exercise of any such right preclude the further or other

exercise thereof or the exercise of any other right to which such party is legitimately entitled hereunder.

## **8.2 Notices**

Any notice required or permitted to be given under these presents shall be given or sent in writing. A notice shall be deemed to have been given or served if same is delivered to or sent to the party to which it is required or permitted to be given to its address hereinbefore specified and set out or to such other address as such party shall have informed by notice to the other party.

A notice sent by registered post shall be deemed to have been received by the addressee not later than seventy two (72) hours from the time of posting if both the addressor and the addressee are in Sri Lanka and Fourteen (14) days from the time of posting if either the addressor or the addressee is abroad. It shall be a sufficient proof of posting, if proved by production of the acknowledgment issued by the Postal Department.

## **8.3 Partial invalidity**

If any provisions of this Agreement shall be deemed or become invalid, or ruled illegal by any court of competent jurisdiction, or deemed unenforceable under any applicable laws during the term of this Agreement, it shall in no way affect the remainder of this Agreement which shall in all other respects remain valid and enforceable and binding on the parties hereto.

## **8.4 No Partnership**

Nothing containing or relating to this Agreement shall be deemed to constitute a partnership or agency between the parties hereto and no party shall have any authority to act for or to assume any obligations or responsibility on behalf of the other party.

## **8.5 Best Endeavour**

The parties hereto recognize that it is impracticable to make provisions for every contingency that may arise in the course of performance of the provisions hereof and accordingly declare that this Agreement shall operate between them with fairness and without detriment to the interest of any party and covenant and agree with each other that they shall use their best endeavours to ensure that full effect be given to the terms of this Agreement in the spirit in which it was agreed.

## **8.6 Entire Agreement**

This Agreement embodies all the terms and conditions agreed upon amongst the parties hereto as to the subject matter of this Agreement and supersedes and cancels in all respects all previous agreements and undertakings amongst the parties with respect to the subject matter hereof whether such agreements and undertakings be written or oral.

## **8.7 Amendment**

Any additions or alterations to this Agreement shall be in writing and signed by all the parties hereto.

## **8.8 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of Sri Lanka and the appropriate Courts in Colombo shall have exclusive jurisdiction over any matters arising hereunder.

**IN WITNESS WHEREOF** the authorized signatories of the parties hereto have set their hands hereunto and to two others of the same tenor and date at the place/s and on the day/s hereinafter mentioned.

Signed for and on behalf of

.....

.....

Authorised Signatory

Name:

Designation:

Seal :

Date :

Place :

.....

Authorised Signatory

Name:

Designation:

**WITNESSES:**

1. ....

Name :

Address:

NIC No:

2 .....  
.....

Name :

Address:

NIC No:

Signed for and on behalf of

**MERCHANT BANK OF SRI LANKA & FINANCE PLC**

.....

Authorised Signatory

.....

Authorised Signatory

Name:  
Designation:

Seal :

Date :

Place :

Name:  
Designation:

**WITNESSES:**

1. ....

Name :

Address:

NIC No:

2 .....

Name :

Address:

NIC No:

Signed for and on behalf of  
**MBSL INSURANCE COMPANY LIMITED**

.....

Authorised Signatory

Name:  
Designation:

Seal :

Date :

Place :

.....

Authorised Signatory

Name:  
Designation:

**WITNESSES:**

1. ....

Name :

Address:

NIC No:

2 .....

Name :

Address:

NIC No:

## ANNEXURE 5 - Affidavit

*(To be submitted by all Prospective Investors or each Consortium Member, in the event of a Consortium)*

I ..... (Holder of National Identity Card No. / holder of Passport No.) of .....,  
being a Buddhist, Hindu Muslim/Christian..... do hereby solemnly, sincerely and truly affirm  
and declare as follows do hereby make oath and swear and state as follows.

1. I am the affirmant/ deponents above named and state to the facts herein mentioned of my knowledge and belief.
2. I state that I am the authorised representative of ....., [Name of the Prospective Investor, Prospective Investor's Registration No. (if applicable), Prospective Investor's registered office / place of business address]
3. I state that I am not / ..... (Name of the Prospective Investor) is not ineligible under the provisions of existing Insolvency and Bankruptcy Laws of Sri Lanka to participate in the process relating to the acquisition of Merchant Bank of Sri Lanka & Finance PLC's (MBSL's) entire shareholding of 53.81% in MBSL Insurance Company Limited (MBSLI).

The foregoing affidavit having been read  
over and explained to the above named  
and having understood the contents  
thereof .....

signed and affirmant/ sworn to at

.....

.....on this .....day of ..... 2025

Before Me

Justice of Peace / Commissioner of Oaths