

Notice of the 25th Annual General Meeting (AGM)

Notice is hereby given that the 25th Annual General Meeting (AGM) of the Shareholders of Summit Power Limited (SPL) will be held on Monday, 31st October at 11:30 AM (Bangladesh Standard Time). The AGM will be held virtually by using digital platform through the following link <https://summitpower.bdvirtualagm.com> to transact the following businesses:

Ordinary Business:

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended on 30th June 2022 together with the Auditor's Report thereon;
2. To approve dividend for the year ended on 30th June 2022 as recommended by the Board of Directors;
3. To elect Directors in place of those retiring under Article 23(a) of the Company's Articles of Association;
4. To appoint Statutory Auditor for the year ending on 30th June 2023 and to fix their remuneration;
5. To appoint a Professional Accountant/Secretary for certification on compliance of the Corporate Governance Code for the year ending on 30th June 2023 and to fix remuneration thereon.

Special Business:

1. Approval of advance payment and bearing of additional cost arising out of foreign exchange fluctuation due to HFO supply by Summit Oil & Shipping Co. Ltd. (SOSCL)

The recent global and Bangladesh macro-economic environment coupled with the breakout of the war between Russia and Ukraine have resulted in rapid devaluation of BDT against US Dollar. In this situation, the value of HFO invoiced and/or received in a given month, for instance, calculated as per Table C of Schedule 6 of the Power Purchase Agreements (PPAs) of the subsidiaries of Summit Power Limited (SPL) is significantly lower than the price to be paid by the nominated fuel supplier, Summit Oil & Shipping Co. Ltd. (SOSCL), for settling the letters of credit for the HFO supplied to the project/subsidiary companies of SPL i.e. Summit Barisal Power Limited (SBPL), Summit Narayananj Power Unit II Limited (SNPUILL), Ace Alliance Power Limited (AAPL) and Summit Gazipur II Power Limited (SGIPL). This problem is compounded by the delay in payment by BPDB beyond the allowable 30-Day credit period, and has put tremendous strain on the working capital credit line of SOSCL and its ability to make payments to the LC issuing bank. It is also pertinent to mention that due to the breakout of the war of Russia and Ukraine, the price of HFO has increased significantly in the international market, requiring an increase in US Dollars for payment to HFO suppliers.

In the prevailing volatile foreign exchange situation coupled with delayed settlement of monthly fuel bills by Bangladesh Power Development Board (BPDB), SOSCL is facing an acute fund shortage, and at times is not able to settle outstanding LCs as well as open new LC obligations for import of fuel for HFO based power plants of SPL's subsidiaries. SOSCL has informed SPL of its fund shortage and financial difficulty. SOSCL requires financial support from either the project sponsors i.e. Summit Corporation Limited and Summit Power Limited or the project companies, for its working capital requirement in order to settle LCs and ensure the continued import of HFO.

While the management of SPL has taken up the matter with the Power Division under the Ministry of Power, Energy and Mineral Resources (MoPE&MR) and BPDB, to receive the 'true-up' on HFO bills for the Sonali Bank exchange rate difference between the Bill of Lading date and payment date, and to receive faster release of outstanding receivables, the additional costs of financial support to SOSCL, including as a result of foreign exchange fluctuation, are likely to impair projected earnings of SPL.

In accommodating SOSCL's requirement, SPL, as a publicly listed enterprise with existence of minority equity holders, needs to comply with the requirement of BSEC Notifications No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22nd March 2021 and SEC/CMMRRCD/2006-159/Admin/02-10 dated 10th September 2006. With this in view, the following ordinary resolutions will be placed for consideration of honourable shareholders in the 25th AGM and for approval, if deemed appropriate, with or without modification:

"Resolved that Summit Power Limited (SPL) along with Co-Sponsor Company, Summit Corporation Limited (SCL), intends to enter into an agreement with Summit Oil & Shipping Co. Ltd. (SOSCL) to provide the necessary advances (BDT fund) to SOSCL to settle outstanding LCs, and new LCs which are to be opened and subsequently settled, including the additional cost due to foreign exchange fluctuation, in order to ensure that all the project companies i.e. Summit Barisal Power Limited, Summit Narayananj Power Unit II Limited, Ace Alliance Power Limited and Summit Gazipur II Power Limited, can continue their operation smoothly and continuously in accordance with the obligations of the Project Companies under their respective Power Purchase Agreements (PPAs);

Resolved further that the advances will be provided in proportion to the equity shareholding of the sponsor companies (SPL and SCL) in the respective Project Companies either by taking necessary loans from local banks or financial institutions or utilising SPL's own source of cash."

2. Consideration and approval of related party transactions between Summit Power Limited and its subsidiaries as disclosed in the Notes 13, 29 and 45(b) of Company's Audited Financial Statements for the year ended on 30th June 2022 in compliance with the requirement of BSEC Notifications No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22nd March 2021 and SEC/CMMRRCD/2006-159/Admin/02-10 dated 10th September 2006.

"Resolved that Summit Power Limited (SPL), as holding company be and is allowed to carry out related party transactions with its subsidiaries as disclosed in the Notes 13, 29 and 45(b) of Company's Audited Financial Statements for the year ended on 30th June 2022."

3. Consideration and approval of issuance of Corporate Guarantee(s) in favour of banks, namely, The City Bank Limited, Mutual Trust Bank Limited, Brac Bank Limited and Bank Asia Limited on behalf of SPL's Subsidiary Companies, namely, Summit Barisal Power Limited, Ace Alliance Power Limited and Summit Narayananj Power Unit II Limited, pursuant to the BSEC Order No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 10th September 2006.

"Resolved that pursuant to the BSEC Order No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 10th September 2006 and sub-clause 25 of Clause III of the Objective Clause of the Memorandum of Association of the Company, the proposal of issuing of Corporate Guarantee(s) in favour of Banks for and on behalf of Subsidiary Companies of Summit Power Limited as and when required be and is hereby approved;

Resolved further that the Board of Directors of the Company be and is hereby authorised to issue such as Corporate Guarantee(s) in favour of Banks for and on behalf of the Subsidiary Companies of Summit Power Limited."

Dhaka, 06th October 2022

By order of the Board of Directors

-S/d-
Swapon Kumar Pal, FCA
Company Secretary

Notes:

- a. The Members whose names appeared on the Members/Depository Register as on the "Record Date" i.e. 06th October 2022 are eligible to participate in the 25th Annual General Meeting (AGM) and receive dividend.
- b. Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/91 dated 31st March 2021, the AGM will be a virtual meeting of the Members, which will be conducted via live webcast by using a digital platform.
- c. The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credentials as proof of their identity by visiting the link: <https://summitpower.bdvirtualagm.com>
- d. We encourage the Members to log in to the system prior to the meeting start time of 11:30 am Bangladesh Standard Time (BST) on 31st October 2022. Please allow ample time to login and establish your connectivity. The webcast will start at 11:30 am BST. Please contact +8801716530922 for any technical difficulties in accessing the virtual meeting.
- e. A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead. The "Proxy Form", duly filled, signed and stamped at BDT 20 must be sent through email to SPL Share Office at spl.investorrelations@summit-centre.com no later than 48 hours before commencement of the AGM.
- f. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2021-22 is to be sent to the email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The soft copy of the Annual Report 2021-22 is also available on the Investor Relations section of the Company's website at: <http://summitpowerinternational.com/spl>
- g. The concerned Brokerage House are requested to provide us with a statement with the details (shareholder name, BO ID number, client-wise shareholding position, gross dividend receivable, applicable tax rate and net dividend receivable) of their margin loan holders who holds Summit Power Limited's Shares, as on the "Record Date", along with the name of the contact person in this connection, to the Company's Corporate Office: Summit Centre, 9th Floor, 18 Kawran Bazar C/A, Dhaka 1215 and/or through email to SPL Share Office at spl.investorrelations@summit-centre.com on or before 07th November 2022, Monday.