

**REQUEST FOR EXPRESSIONS OF INTEREST**

**For the strategic divestiture**

**of**

**Sri Lanka Insurance Corporation Life Limited**

**and**

**Sri Lanka Insurance Corporation General Limited**

**GOVERNMENT OF SRI LANKA THROUGH  
THE MINISTRY OF FINANCE, ECONOMIC STABILIZATION AND NATIONAL  
POLICIES AND THE STATE OWNED ENTERPRISES RESTRUCTURING UNIT**

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## Table of Contents

	<b>Definitions and Principles of Interpretation</b>	<b>3</b>
<b>1.</b>	<b>Introduction</b>	
	1.1 Background	7
	1.2 Brief description of the bidding process	7
	1.2.1 Prequalification Stage	7
	1.2.2 RFP Stage	8
	1.2.3 Timeline	8
<b>2.</b>	<b>Instructions to Applicants</b>	
	2.1 General	
	2.1.1 General terms on submission of EOIs	10
	2.1.2 Eligibility criteria	10
	2.1.3 Right to accept/reject any or all EOIs	14
	2.1.4 Clarifications and pre-EOI meeting	15
	2.1.5 Correspondence with Applicants	16
	2.1.6 The process for amendments to REOI	16
	2.1.7 Cost of EOIs	16
	2.2 Preparation and submission of EOIs	
	2.2.1 The format and signing of EOIs	17
	2.2.2 Sealing and marking of EOIs	17
	2.2.3 Due date and late EOIs	18
	2.2.4 Withdrawal of EOIs	18
	2.2.5 Validity period of EOIs	18
	2.3 Evaluation and Prequalification	
	2.3.1 Opening and evaluation of EOIs	19
	2.3.2 Responsiveness to eligibility criteria	19
	2.3.3 Detailed evaluation	19
	2.3.4 Additional information	19
	2.3.5 Waiver of nonconformities in EOIs	20
	2.3.6 Prequalification	20
<b>3.</b>	<b>Miscellaneous</b>	
	3.1 Confidentiality	21
	3.2 Grounds for exclusion	21
	3.2.1 Conflict of interest	21
	3.2.2 Fraud/Corruption	21
	3.3 Liability	23
	3.4 Governing Law and jurisdiction	23
<b>4.</b>	<b>Disclaimer</b>	<b>24</b>
<b>5.</b>	<b>Appendices</b>	<b>25</b>

## Definitions and Principles of Interpretation

### A. Definitions

<b>Addendum</b>	has the meaning assigned thereto under <b>Clause 2.1.6.1</b>
<b>Affiliates</b>	means, in relation to a party, any entity that Controls or is Controlled by, or which is under Control by an entity which Controls, such party
<b>Applicable Law</b>	means the laws in force in the Democratic Socialist Republic of Sri Lanka
<b>Applicants</b>	has the meaning assigned thereto under <b>Clause 1.2.1.1</b>
<b>Bidding Process</b>	has the meaning assigned thereto under <b>Clause 1.2</b>
<b>Bids</b>	has the meaning assigned thereto under <b>Clause 1.2.1.2</b>
<b>Bid Opening Committee</b>	means the committee appointed by SpCANC to open EOIs and Bids received during the Bidding Process
<b>Coercive Practice</b>	has the meaning assigned thereto under <b>Clause 3.2.2.2</b>
<b>Collusive Practice</b>	has the meaning assigned thereto under <b>Clause 3.2.2.2</b>
<b>Conflict of Interest</b>	has the meaning assigned thereto under <b>Clause 3.2.1.1</b>
<b>Consortium</b>	has the meaning assigned thereto under <b>Clause 2.1.2.1 (a) (i)</b>
<b>Consortium Member</b>	means a member of a Consortium
<b>Control</b>	means, with respect to any Applicant, (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 Applicant, 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 Applicant, or (iii) the right to manage, or direct the management of the assets of such Applicant, whether via 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, and the terms “Controlling”, “Controlled” and “under common Control with” shall be construed accordingly
<b>Corrupt Practice</b>	has the meaning assigned thereto under <b>Clause 3.2.2.2</b>
<b>Data Room</b>	means a virtual data room (and a physical data room, where required) containing information in relation to SLICL and SLIGL that would be accessible to a Bidder, subject to the execution of the NDA
<b>Definitive Agreements</b>	means the execution of the following agreements between the successful Bidder and GOSL: <ul style="list-style-type: none"> <li>(i) share sale and purchase agreements; and</li> <li>(ii) any other agreement that may be necessary for the purposes of the SLI Project, in GOSL’s discretion</li> </ul>
<b>Direction No. 7 dated 04<sup>th</sup> January 2016</b>	means the Direction No. 7 dated 04 <sup>th</sup> January 2016 on ‘Changes in Ownership and Control of Insurers and Brokers’ issued under Section 96A of RII Act accessible at

	<a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_7-changes_in_ownership_and_control_of_insurers_and_brokers-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_7-changes_in_ownership_and_control_of_insurers_and_brokers-1.pdf</a>
<b>Divestiture Guidelines</b>	means the Special Guidelines on Divestiture of State-Owned Enterprises dated June 2023 issued by MoF and accessible at <a href="https://www.treasury.gov.lk/web/circular-gazette-acts/section/guidelines">https://www.treasury.gov.lk/web/circular-gazette-acts/section/guidelines</a>
<b>EOI</b>	means the expressions of interest submitted by the Applicants
<b>Fraudulent Practice</b>	has the meaning assigned thereto under <b>Clause 3.2.2.2</b>
<b>GOSL</b>	means the Government of Sri Lanka
<b>Group Entity</b>	means entities which directly or indirectly hold at least twenty-six per centum (26%) of the shareholding/ownership of the Applicant, and any Affiliates of the Applicant, and the term “Group Entities” shall be construed accordingly
<b>IRC SL</b>	has the meaning assigned thereto under <b>Clause 1.2.2.5</b>
<b>LOI</b>	has the meaning assigned thereto under <b>Clause 2.1.3.4</b>
<b>Lead Member</b>	means the entity 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 have 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 EOI.
<b>MoF</b>	means the Ministry of Finance, Economic Stabilization and National Policies of GOSL
<b>MSRPL</b>	means Management Services Rakshana (Private) Limited, established as a fully owned subsidiary of Sri Lanka Insurance Corporation Limited to provide payroll management services to SLIC
<b>Net Worth</b>	For body corporates, means the value of Total Assets minus the value of the Total Liabilities
<b>NDA</b>	has the meaning assigned thereto under <b>Clause 1.2.2.2</b>
<b>Official Website</b>	means the website ( <a href="https://www.treasury.gov.lk/web/sru-entities-to-be-divested/section/sri-lanka-insurance">https://www.treasury.gov.lk/web/sru-entities-to-be-divested/section/sri-lanka-insurance</a> ) maintained by GOSL or any person on its behalf that shall contain this REOI and all addenda that may be published by GOSL from time to time
<b>Prequalification Stage</b>	has the meaning assigned thereto under <b>Clause 1.2.1.1</b>
<b>Prequalified Bidders</b>	has the meaning assigned thereto under <b>Clause 1.2.1.2</b>
<b>REOI</b>	means this Request for Expressions of Interest (as may be amended from time to time) and any other documents or clarifications as may be issued by GOSL as part of the Prequalification Stage
<b>Restrictive Practice</b>	has the meaning assigned thereto under <b>Clause 3.2.2.2</b>
<b>RFP</b>	has the meaning assigned thereto under <b>Clause 1.2.2.1</b>
<b>RFP Documents</b>	has the meaning assigned thereto under <b>Clause 1.2.2.4</b>
<b>RFP Stage</b>	has the meaning assigned thereto under <b>Clause 1.2.2.1</b>
<b>RII Act</b>	has the meaning assigned thereto under <b>Clause 1.1.1</b>

<b>SLI Project</b>	has the meaning assigned thereto under <b>Clause 1.1.2</b>
<b>SLIC</b>	has the meaning assigned thereto under <b>Clause 1.1.1</b>
<b>SLICL</b>	has the meaning assigned thereto under <b>Clause 1.1.1</b>
<b>SLICL Shares</b>	has the meaning assigned thereto under <b>Clause 1.1.1</b>
<b>SLIGL</b>	has the meaning assigned thereto under <b>Clause 1.1.1</b>
<b>SLIGL Shares</b>	has the meaning assigned thereto under <b>Clause 1.1.1</b>
<b>SOERU</b>	means the State-Owned Enterprises Restructuring Unit
<b>SPC</b>	means the Cabinet Appointed Special Project Committee constituted under the Divestiture Guidelines
<b>SpCANC</b>	means the Special Cabinet Appointed Negotiating Committee constituted under the Divestiture Guidelines
<b>Total Assets</b>	means the total consolidated assets measured in accordance with IFRS or the accounting principles generally accepted in the jurisdiction of incorporation of the entity
<b>Total Liabilities</b>	means the total consolidated liabilities measured in accordance with IFRS or the accounting principles generally accepted in the jurisdiction of incorporation of the entity
<b>Transaction Advisor</b>	has the meaning assigned thereto under <b>Clause 1.1.3</b>
<b>Ultimate Beneficial Owners (UBOs)</b>	means any natural person that ultimately owns or Controls a sole Applicant and a Consortium Member, irrespective of the legal ownership
<b>Undesirable Practice</b>	has the meaning assigned thereto under <b>Clause 3.2.2.2</b>
<b>USD</b>	means United States Dollars, the lawful currency of the United States of America
<b>Working Days</b>	means any day excluding Saturdays, Sundays and public holidays in Sri Lanka

**B. Principles Of Interpretation**

- (1) Throughout this REOI, unless indicated otherwise by the context, the singular also means plural.
- (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.
- (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.
- (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.
- (5) References to clauses are, unless the context otherwise requires, references to clauses of this REOI.
- (6) References to days, months and years are references to calendar days, calendar months and calendar years respectively.
- (7) Reference to person shall mean any natural or legal person.

## 1. Introduction

### 1.1. Background

- 1.1.1 The Government of Sri Lanka (“**GOSL**”) has mandated the State-Owned Enterprises Restructuring Unit (“**SOERU**”) under the aegis of the Ministry of Finance, Economic Stabilization and National Policies (“**MoF**”), to oversee the divestiture of Sri Lanka Insurance Corporation Limited (“**SLIC**”) pursuant to the Cabinet Paper bearing No. 23/0431/604/046.

Sri Lanka Insurance Corporation Life Limited (“**SLICL**”) and Sri Lanka Insurance General Limited (“**SLIGL**”) are fully owned subsidiaries of SLIC carrying out long-term insurance business and general insurance business in accordance with the provisions of the Regulation of Insurance Industry Act No. 43 of 2000 of Sri Lanka, as amended from time to time (“**RII Act**”). GOSL intends to divest the entirety or the majority of the issued shares of Sri Lanka Insurance Corporation Life Limited (“**SLICL Shares**”) and the entirety or the majority of the issued shares of Sri Lanka Insurance General Limited (“**SLIGL Shares**”).

- 1.1.2 GOSL intends to prequalify suitable investors, who will be eligible for participation in the RFP Stage through an open competitive bidding process to acquire SLICL Shares and SLIGL Shares, in accordance with the Divestiture Guidelines and the procedure set out herein. The proposed divestment of SLICL Shares and SLIGL Shares through the Bidding Process is hereinafter referred to as the “**SLI Project**”.

An overview of the insurance industry in Sri Lanka and a description of the SLI Project are set out in **Appendix I**.

- 1.1.3 GoSL has appointed Alvarez & Marsal Middle East Limited as “**Transaction Advisor**” for the SLI Project to assist GOSL in identifying a suitable investor for the SLI Project.

### 1.2. 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 the SLI Project.

#### 1.2.1 Prequalification Stage

1.2.1.1 The first stage of the Bidding Process (the “**Prequalification Stage**”) involves pre-qualification of interested parties and consortia who submit an EOI in accordance with the provisions of this REOI (the “**Applicants**”, which expression shall, unless repugnant to the context, include Consortium Members).

1.2.1.2 In the Prequalification Stage, the Applicants are required to furnish all the information specified in the REOI. Only those Applicants, who are prequalified (“**Prequalified Bidders**”), will be invited to submit their Bids (the ‘**Bids**’) at the RFP Stage.

1.2.1.3 Applicants may express interest to acquire either SLICL Shares, SLIGL Shares, or both SLICL Shares and SLIGL Shares, provided however Applicants expressing an interest

to acquire both SLICL Shares and SLIGL Shares must submit separate EOIs for each of SLICL Shares and SLIGL Shares.

## 1.2.2 RFP Stage

- 1.2.2.1 At the end of the Prequalification Stage, a list of the Prequalified Bidders 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, in accordance with the Divestiture Guidelines.
- 1.2.2.2 Subject to Prequalified Bidders executing a Non-Disclosure Agreement in the manner and form set out in **Appendix IV** ("**NDA**"), the Prequalified Bidders will be provided with access to the Data Room.
- 1.2.2.3 The Prequalified Bidders will be provided an opportunity to conduct due diligence on SLICL and SLIGL for a period not less than sixty (60) days in accordance with the Divestiture Guidelines, and be provided with access to the draft Definitive Agreements.
- 1.2.2.4 In the RFP Stage, the Prequalified Bidders will be called upon to submit their Bids in accordance with the RFP and other documents (collectively the "**RFP Documents**"). The Prequalified Bidders will be required to submit their financial and technical proposals in two separate envelopes as per the terms of the RFP which will be opened and evaluated in accordance with the procedure set out in the RFP and the Divestiture Guidelines. Further details of the process to be followed at the RFP Stage and the terms thereof will be set out in the RFP Documents.
- 1.2.2.5 The selection of the successful Bidder will be subject to the approval of Insurance Regulatory Commission of Sri Lanka ("**IRCSL**") in accordance with Direction No. 7 dated 04<sup>th</sup> January 2016.

## 1.2.3 Timeline

The schedule for the Prequalification Stage shall be as follows:

	Event Description	Date/Timeline
<b>Prequalification Stage</b>		
1.	Issuance of REOI	24 <sup>th</sup> January 2024
2.	Pre-EOI meeting	9 <sup>th</sup> February 2024
3.	Last date for submission of questions prior to pre-EOI meeting as per <b>Clause 2.1.4</b>	6 <sup>th</sup> February 2024
4.	Deadline for Applicants to submit queries/requests for additional information	19 <sup>th</sup> February 2024
5.	EOI Due Date	On or before 14.00 hours IST on 27 <sup>th</sup> February 2024
6.	Notification of prequalification	12 <sup>th</sup> March 2024



RFP Stage		
7.	Issuance of RFP Documents	End March
8.	Bid Due Date	June
9.	Selection of the successful Bidder	July

The above timeline is indicative in nature and GOSL may, in its sole discretion, amend the timeline by way of an Addendum in accordance with **Clause 2.1.6**.

## 2. Instructions to Applicants

### 2.1 General

#### 2.1.1 General terms on submission of EOIs

2.1.1.1 The EOI must be furnished as per the templates provided under **Appendix III** and must include the following:

Annexure A	Letter comprising the EOI
Annexure B	General Information of the Applicant
Annexure C	Letter of Authority (except where the Applicant is an individual)
Annexure D	Disclosure on Ultimate Beneficial Owners
Annexure E	Undertaking on Conflict of Interest
Annexure F	Letter issued by the Group Entity, if applicable
Annexure G	EOI Checklist

2.1.1.2 The EOI must be unconditional and unqualified. An EOI that contains qualifications or conditions will be rejected.

2.1.1.3 In case any supporting document to the EOI is in a language other than English, the Applicant must also submit a certified English translation of such document duly legalised/notarised/apostilled in accordance with laws applicable to the Applicant.

2.1.1.4 The REOI and all attached documents are and will remain or becomes the property of GOSL and are transmitted to the Applicants solely for the purpose of preparation and the submission of an EOI, in accordance herewith. The Applicants are to treat all information as strictly confidential and must not use it for any purpose other than for preparation and submission of EOI. The provisions of this Clause will also apply *mutatis mutandis* to any documents submitted by the Applicants and shall be kept confidential as set out under **Clause 3.1**. The EOI or any information provided along therewith shall not be returned, unless otherwise provided in the REOI.

#### 2.1.2 Eligibility criteria

2.1.2.1 The following will apply to determine the eligibility of Applicants for their prequalification hereunder.

##### (a) General eligibility criteria

- (i) The Applicant for prequalification may be a single entity, or a group of entities (the “**Consortium**”).

However, no Applicant applying individually or as a Consortium Member, as the case may be, can be member of another Applicant. The term Applicant used herein would apply to both a single entity and a Consortium.

- (ii) An Applicant may be either a natural person, a juristic person, or any combination of them with formal intent to acquire either SLICL Shares, SLIGL Shares or both SLICL Shares and SLIGL Shares. A Consortium will be eligible for consideration, subject to the additional conditions set out in **Clause 2.1.2.1 (c)**.
- (iii) The Ultimate Beneficial Owner of any Applicant should not be the same as that of any other Applicant.

**(b) Financial eligibility criteria**

- (i) Applicants, which are body corporates, must demonstrate a minimum Net Worth of at least United States Dollars Fifty Million (USD 50,000,000) or its equivalent to acquire either SLICL Shares or SLIGL Shares by providing the Applicant's latest audited balance sheet, which must be dated not earlier than 31<sup>st</sup> March 2022, or the last day of the Applicant's fiscal year, whichever is later.
- (ii) Applicants other than body corporates, must demonstrate that the Applicant has available investable funds or deployable capital of at least United States Dollars Fifty Million (USD 50,000,000) or its equivalent to acquire either SLICL Shares or SLIGL Shares by providing a certificate dated on or after the date of issuance of this REOI, issued by a practicing chartered accountant, or by any other professional having an equivalent qualification and permission/license to practice from a governmental or regulated authority of the jurisdiction applicable to such Applicant.
- (iii) For avoidance of doubt, it is clarified that the thresholds of Net Worth, investable funds and deployable funds set out above are not an indication of the value of the SLICL Shares or SLIGL Shares.
- (iv) Net Worth of a Consortium, for the purpose of prequalification, 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. For avoidance of doubt, this means that if a Consortium has four (4) Consortium Members each having 25% of the shareholding/ownership of the Consortium and having a Net Worth of USD 10Mn., USD 50Mn, USD 50Mn. and USD 100Mn. respectively, the Net Worth of the Consortium will be as follows:
 
$$(25\% \times \text{USD } 10\text{Mn}) + (25\% \times \text{USD } 50\text{Mn}) + (25\% \times \text{USD } 50\text{Mn}) + (25\% \times \text{USD } 100\text{Mn}) = \text{USD } 52.5 \text{ Mn.},$$
 which meets the minimum Net Worth of USD 50 Mn.
- (v) An Applicant may rely on the financial capacity of a Group Entity, provided however two or more Applicants 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 Applicant 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 provide the letter set out in **Appendix III – Annexure G**.

**(c) Conditions for Consortium**

- (i) The EOI must contain information required for each Consortium Member.
- (ii) The number of Consortium Members must be limited to four (4).
- (iii) 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.
- (iv) The Lead Member must be authorized by each of the Consortium Members by way of a Letter of Authority.
- (v) 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 must be submitted with the EOI.

**(vi) Change in composition of a Consortium**

- (a) No change in the composition of the Consortium will be permitted after the Prequalification Stage, unless approved by GOSL as set out below.
- (b) If a Bidder being a Consortium, desires a change in its composition, i.e. the Lead Member wishes to proceed as an individual Bidder or individual Bidder desires to form a Consortium as a Lead Member or a Consortium (including on account of non-lead Consortium Member/s withdrawing from or being included in the Consortium) desires to change one or more non-lead Consortium Member/s or wishes to effect any change inter se proportionate to the ownership / holding of Consortium Members, subject to other conditions as set out in this REOI, it shall have to obtain prior written approval for such change from GOSL. Such application must be made by the Lead Member no later than thirty (30) days from the EOI Due Date or such extended date as approved by GOSL. On receipt of the Lead Member's

/ individual Bidder's request for such change, approval, or disapproval for the same would be provided by GOSL. GOSL reserves the right to ask for any additional information / documents for this purpose. Such change in composition of a Bidder if permitted, must be permitted only once during the SLI Project. Provided however that:

In case of a Consortium Bidder, following conditions will apply:

- No change in Lead Member shall be allowed;
- Two or more Consortiums cannot combine to form a new Consortium;
- Shifting of a Consortium Member from one Consortium Bidder to another shall not be permitted;
- An Applicant that has not been prequalified cannot form part of a prequalified Consortium;
- The changed Consortium or the Lead Member continuing as an individual Bidder (as the case may be) must continue to meet the eligibility criteria and other requirements set out in the REOI;
- The written confirmation/letter of intent referred under **Clause 2.1.2.1 (c) (v)** will need to be re-executed and all relevant documents/ undertakings for the new Consortium Member must be provided as set out in the REOI within a timeline to be communicated by GOSL at the time of providing approval for change in Consortium.

In case of an individual Bidder forming a Consortium, following conditions must apply:

- The individual Bidder will be the Lead Member;
- The Consortium must continue to meet the eligibility criteria and other requirements set out in the REOI. The new Consortium Member/s must be required to undergo verification processes set out in this REOI;
- The written confirmation/letter of intent referred under **Clause 2.1.2.1 (c) (v)** will need to be executed and all relevant documents/ undertakings for the members of the Consortium must be provided as set out in the REOI within a timeline to be communicated by GOSL at the time of providing approval for formation of the Consortium.

2.1.2.2 The Applicants will be subject to verification and validation under generally accepted Know-Your-Customer and anti-money laundering protocols.

2.1.2.3 **Prevention of market consolidation**

- (i) The Applicants will also be subject to verification processes to ensure the prevention of anticompetitive practices for the purpose of protecting the interests of policy holders in the insurance sector.
- (ii) In keeping with section 6 (k) of the Divestiture Guidelines, if an EOI is received from an Applicant:
  - (a) operating in the same sector as SLICL/SLIGL; or
  - (b) who is a Connected Party to an entity operating in the same sector as SLICL/SLIGL; and
 where the combined post divestiture market share of SLICL/SLIGL and the Applicant would be 50% or more in such sector, the EOI will be rejected. The post divestiture market share will be computed on the basis of the combined revenues of SLICL/SLIGL and that of the Applicant.
- (iii) Where the Applicant is a Connected Party to an entity operating in same sector as SLICL/SLIGL, the computation of market share will be based on the combined revenues of SLICL/SLIGL and Applicant's Connected Party operating in the same sector as SLICL/SLIGL.
- (iv) Where the Applicant is a Consortium, and where a Consortium Member is operating in the same sector as SLICL/SLIGL or the Consortium Member is a Connected Party to an entity operating in the same sector as SLICL/SLIGL, such Consortium Member will be considered as the Applicant for the purposes of this **Clause 2.1.2.3**.
- (v) For the purposes of this **Clause 2.1.2.3**, a 'Connected Party' includes but is not limited to a parent, ultimate parent, subsidiary, sub-subsidiary, sister company, associate, or proxy of such Applicant.

2.1.2.4 The information supplied by an Applicant (or a Consortium Member, if the Applicant is a Consortium) must apply to the Applicant or Consortium Member named in the EOI and not, unless specifically requested, to other associated companies or firms.

### **2.1.3 Right to accept/reject any or all EOIs**

2.1.3.1 GOSL reserves the right to verify all statements, information and documents submitted by the Applicant. Any such verification or lack of such verification by GOSL will not relieve the Applicant of its obligations or liabilities hereunder nor will it affect any rights of GOSL thereunder.

2.1.3.2 Notwithstanding anything contained in the REOI, GOSL reserves the right to accept or reject any EOI at its absolute discretion.

2.1.3.3 The GOSL 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 qualification, without assigning any reasons therefor.

2.1.3.4 In case it is found during the evaluation or at any time before signing of Definitive Agreements or after its execution and during the period of subsistence thereof, that one or more of the prequalification conditions have not been met by the Applicant, or the Applicant has made a material misrepresentation or has given any materially incorrect or false information, the Applicant will be disqualified forthwith if not yet issued a Letter of Intent in accordance with the Divestiture Guidelines (“**LOI**”), and if the Applicant has already been issued a LOI or has entered into Definitive Agreements, as the case may be, the same will, notwithstanding anything to the contrary contained therein or in the REOI, be liable to be terminated, by a communication in writing by GOSL to the Applicant, without GOSL being liable in any manner whatsoever to the Applicant and without prejudice to any other right or remedy which GOSL may have under the REOI, the RFP Documents, the Definitive Agreements or under Applicable Law.

#### **2.1.4 Clarifications and pre-EOI meeting**

2.1.4.1 Any queries or request for additional information concerning this REOI must be submitted via email to the officer designated in the Data Sheet, **Appendix II**. The communications must clearly bear the following title, as applicable:

*“Queries/Request for Additional Information: EOI – SLICL”*

*“Queries/Request for Additional Information: EOI – SLIGL”*

The Applicants must send in their queries before the relevant date under the timeline set out in **Clause 1.2.3** for “Deadline for Applicants to submit queries/requests for additional information”.

2.1.4.2 GOSL will endeavour to respond to the questions raised or clarifications sought by the Applicants within the period specified therein, but no later than five (5) Working Days prior to the EOI Due Date. The responses will be informed by email and uploaded on the Official Website. GOSL will forward all the queries and its responses thereto, to all the Applicants without identifying the source of queries. However, GOSL reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause can be taken or read as compelling or requiring GOSL to respond to any question or to provide any clarification.

2.1.4.3 GOSL may also on its own motion, if deemed necessary, issue interpretations and clarifications to all the Applicants. All clarifications and interpretations issued by GOSL will be deemed to be part of the REOI. Verbal clarifications and information given by GOSL or its employees or representatives will not in any way or manner be binding on GOSL. These will be published on the Official Website.

2.1.4.4 An authorised representative of an Applicant may attend the pre-EOI meeting. The purpose of the meeting will be to clarify issues and to answer questions on any matter raised at least three (3) days prior to the pre-EOI meeting. Non-attendance at the pre-EOI meeting will not be a cause for disqualification of an Applicant.

2.1.4.5 The Applicants are requested to submit any questions in writing to reach the GOSL no later than three (3) days before the pre-EOI meeting.

2.1.4.6 Minutes of the pre-EOI meeting including the text of the questions raised without identifying the source and the responses given together with any responses prepared after the pre-EOI meeting will be published on the Official Website promptly within three (3) Working Days of the pre-EOI meeting to all Applicants. Any modification to the REOI that may become necessary as a result of the pre-EOI meeting will be made by GOSL by way of an Addendum in accordance with **Clause 2.1.6** and not through the minutes of the meetings.

## **2.1.5 Correspondence with Applicants**

GOSL, SOERU, SPC, SpCANC and the Transaction Advisor will not entertain any correspondence with any Applicant in relation to acceptance or rejection of any EOI, save and except as provided in the REOI.

## **2.1.6 The Process for Amendments to REOI**

2.1.6.1 GOSL may, whether at its own initiative or in response to clarifications requested by an Applicant, modify the REOI by the issuance of an addendum ("**Addendum**").

2.1.6.2 Any Addendum thus issued will be published on the Official Website.

2.1.6.3 In order to afford the Applicants a reasonable time for taking an Addendum into account, or for any other reason, GOSL may, at its own discretion, extend the EOI Due Date.

## **2.1.7 Cost of EOIs**

The Applicants will be responsible for all of the costs associated with the preparation of their EOIs and their participation in the Bidding Process. GOSL, SOERU, SPC, SpCANC 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.



## **2.2 Preparation and submission of EOIs**

### **2.2.1 The format and signing of EOIs**

2.2.1.1 The Applicant shall provide all the information sought under the REOI. SPC and SpCANC will evaluate only those EOIs that are received in the required formats and which are complete in all respects.

2.2.1.2 The EOI shall be typed or written in indelible ink and signed by the Authorised Representative of the Applicant as evidenced by Letter of Authority (under **Appendix III-Annexure C**) who shall also initial each page, in blue ink. 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.

### **2.2.2 Sealing and marking of EOIs**

2.2.2.1 The Applicant must submit the EOI in the formats specified under Appendix III, along with the supporting documentation, in both physical and electronic form to the officer designated in **Appendix II** on or before 14.00 hours IST on the EOI Due Date.

2.2.2.2 The Applicants must attach clearly marked and referenced continuation sheets if the space provided in the prescribed forms is insufficient. Alternatively, the Applicants may format the prescribed forms making due provision for incorporation of the requested information. Where any document listed under **Appendix III** is not applicable to any Applicant, the Applicant should not omit such document and must mention “Not Applicable” in respect of such document.

2.2.2.3 Electronic Form - The pdf formats of the EOI must be submitted via email to the officer designated in **Appendix II** with subject line “EOI for SLI Project” on or before 14.00 hours IST on the EOI Due Date. The pdf files should be password protected and the password should be communicated to the same email address via a separate email. Submission of password in any other manner may lead to rejection of the EOI. All the documents submitted in the electronic form must be scanned version of the EOI with physical signatures. Submission of the EOI by any other electronic means and/or facsimile will not be accepted.

2.2.2.4 Physical Form - The EOI must also be submitted be to the officer designated in **Appendix II** on or before 14.00 hours IST on the EOI Due Date in the following manner:

- (i) Envelope 1: Envelope 1 must contain the originally signed EOI and be sealed and marked as “Private and Confidential-EOI for the SLICL-Original” and/or “Private and Confidential – EOI for SLIGL – Original”, as applicable.
- (ii) Envelope 2: Envelope 2 must contain three (3) separate envelopes each containing a copy of the EOI, certified by the Applicant as a ‘true copy’. Each of the envelopes, including Envelope 2, must be sealed and marked as “Private

and Confidential-EOI for the SLICL-Copies” and/or “Private and Confidential-EOI for the SLIGL-Copies”, as applicable.

(iii) Envelope 3: Envelope 1 and Envelope 2 must then be placed in a third envelope, which must be sealed and marked as “Private and Confidential-EOI for SLICL” and/or “Private and Confidential-EOI for SLIGL” as applicable, and clearly indicate the name and address of the Applicant.

2.2.2.5 If the physical and electronic versions of the EOI are not submitted, as instructed above, GOSL assumes no responsibility for the misplacement or premature opening of the EOI.

2.2.2.6 In the event of any inconsistency between the physical and the electronic copies of the EOI, the physical copies shall be deemed to prevail.

### **2.2.3 Due date and late EOIs**

2.2.3.1 GOSL may, in its sole discretion, extend the EOI Due Date by issuing an Addendum in accordance with **Clause 2.1.6** uniformly for all Applicants.

2.2.3.2 EOIs received after the specified time on the EOI Due Date will be rejected.

2.2.3.3 In the event an Applicant fails to submit hardcopies of the EOI on or before the EOI Due Date but submits electronic form of the EOI within the prescribed timeline, such EOI shall not be considered for evaluation and will be summarily rejected.

### **2.2.4 Withdrawal of EOIs**

2.2.4.1 The Applicant may withdraw its EOI(s) after submission, provided that written notice of the withdrawal is received by the officer designated in Appendix II prior to the EOI Due Date. No EOI shall be withdrawn by the Applicant on or after the EOI Due Date.

2.2.4.2 The withdrawal notice shall be submitted in electronic and physical form as set out under **Clause 2.2.2**, being additionally marked "WITHDRAWAL".

### **2.2.5 Validity period of EOIs**

The EOI must be valid till at least the selection of the successful Bidder. The validity of the EOI may be extended at the sole discretion of GOSL.

## **2.3 Evaluation and Prequalification**

### **2.3.1 Opening and evaluation of EOIs**

2.3.1.1 The Bid Opening Committee will open the EOIs on the EOI Due Date, at the time and place specified in the Data Sheet.

2.3.1.2 A representative of the Applicant may also be present at the opening of the EOI.

2.3.1.3 SPC and SpCANC will subsequently examine and evaluate the EOIs in accordance with the provisions set out in this **Section 2.3** and the Divestiture Guidelines. Only those Applicants who meet the eligibility criteria specified above will qualify for evaluation under this **Section 2.3**. The Applicants who do not meet the eligibility criteria specified in **Section 2.1.2** will be rejected.

2.3.1.4 The Applicants are advised that prequalification of Applicants will be entirely at the discretion of GOSL. The Applicants will be deemed to have understood and agreed that no explanation or justification on any aspect of the Bidding Process, including the prequalification of Applicants, will be given.

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

### **2.3.2 Responsiveness to eligibility criteria**

2.3.2.1 Following the opening of EOIs and prior to the evaluation of EOIs, SPC will determine whether each EOI is substantially responsive to the requirements of the REOI. For purposes of this determination, a “substantially responsive” EOI is one that:

- (i) is complete, contains documents properly signed and is generally in order; and
- (ii) conforms to all terms and conditions set out in the REOI without any material deviation, reservation or omission.

### **2.3.3 Detailed evaluation**

After the determination of responsiveness, as aforesaid, and the evaluation of EOIs in order to determine whether the eligibility criteria are met, SPC will provide a report including recommendations on the EOIs to SpCANC.

### **2.3.4 Additional information**

2.3.4.1 GOSL, SPC or SpCANC may, at its sole, absolute and unfettered discretion, ask for additional information and/or seek clarifications from an Applicant after the EOI Due Date, and the Applicant shall respond in the manner and form directed by GOSL, SPC or SpCANC within a period of three (3) Working Days from the date of the request, unless otherwise specified by GOSL, SPC or SpCANC.

2.3.4.2 Any additional information supplied subsequent to the EOI Due Date, unless the same has been expressly sought for by GOSL SPC or SpCANC, will be disregarded.

### **2.3.5 Waiver of nonconformities in EOIs**

SpCANC 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.

### **2.3.6 Prequalification**

2.3.6.1 SpCANC, on the recommendation of SPC as aforesaid, will declare that Applicants who fulfil the eligibility criteria and whose EOI contains all the required information and documents in the required form pursuant to the REOI, as prequalified Applicants.

2.3.6.2 GoSL shall notify Applicants that either: (i) the Applicant has not been prequalified; or (ii) the Applicant has been designated as a prequalified Applicant. GOSL, SOERU, SPC, SpCANC and the Transaction Advisor will not entertain any query or clarification from Applicants who fail to qualify. Only Prequalified Bidders will be invited by GOSL to submit their Bids in response to RFP Documents.

2.3.6.3 The successful Bidder may be subject to a lock-in period under the Definitive Agreements. For this purpose, the RFP may stipulate that the successful Bidder shall not divest the SLICL Shares and/or SLIGL Shares to a third party within a period of eighteen (18) months from the completion of the SLI Project without prior approval from the GOSL.

### **3. Miscellaneous**

#### **3.1 Confidentiality**

Information relating to the examination, clarification, evaluation of Applicants, and recommendation for prequalification of Applicants will not be disclosed to any person who is not officially concerned with the process or is not a retained professional adviser advising GOSL in relation to, or matters arising out of, or concerning the Bidding Process. GOSL, SOERU, SPC, SpCANC 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. GOSL SOERU, SPC, SpCANC 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 GOSL, SOERU, SPC, SpCANC 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.

#### **3.2 Grounds for exclusion**

##### **3.2.1 Conflict of Interest**

3.2.1.1 An Applicant must not have a conflict of interest that affects the Bidding Process (“**Conflict of Interest**”). Any Applicant found to have a Conflict of Interest will be disqualified. Without limiting the generality of the above, an Applicant will be deemed to have a Conflict of Interest that affects the Bidding Process if:

- (a) such Applicant has a relationship with another Applicant, either directly or through common third parties, that puts them in a position to influence the EOIs and/or the Bids of the other;
- (b) such Applicant has participated as a consultant(s) and/or adviser(s) or has directly assisted GOSL in the preparation of any documents relating to the Bidding Process and/or the Definitive Agreements;
- (c) such Applicant employs or has employed or has otherwise engaged an officer or employee of SLIC and/or SLICL and/or SLIGL and/or MSRPL in relation to the SLI Project;
- (d) Such Applicant appoints or has otherwise engages any adviser appointed by GOSL in relation to the SLI Project, for matters related to or incidental to the SLI Project or the Bidding Process.

##### **3.2.2 Fraud/Corruption**

3.2.2.1 The Applicants and their respective officers, employees, agents and advisors must observe the highest standard of ethics during the Bidding Process, subsequent to the issuance of the LOI and during the subsistence of the Definitive Agreements. Should any Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice, Undesirable Practice or Restrictive Practice come to the knowledge of GOSL, it shall

reject the Applicant. Such action and reasons thereof will be recorded and promptly communicated to the concerned Applicant. Any communications between the Applicant and GOSL 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 Applicants must be compliant with anti-bribery, anti-corruption laws, which are applicable to the Applicant 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.

3.2.2.2 For the purposes of **Clause 3.2.2.1**, the following terms shall have the meaning hereinafter assigned to them:

- (a) “Corrupt Practice” 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, a 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 GOSL in connection with the Bidding Process or execution of the Definitive Agreements;
- (b) “Fraudulent Practice” 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 Definitive Agreements;
- (c) “Coercive Practice” 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 Definitive Agreements, and this will include creating obstructions in the Bidding Process;
- (d) “Collusive Practice” means a scheme or arrangement between two or more persons, with or without the knowledge of GOSL and SOERU, that is designed to arbitrarily reduce the number of EOIs submitted or fix prices at artificial, non-competitive levels, thereby denying GOSL the benefits of competitive price arising from genuine and open competition;
- (e) “Undesirable Practice” means (i) establishing contact with any person connected with or employed or engaged by GOSL 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; and
- (f) “Restrictive Practice” means forming a cartel or arriving at any understanding or arrangement among Applicants with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

### **3.3 Liability**

It will be deemed that by submitting the EOI, the Applicant agrees and releases GOSL, SOERU, SPC, SpCANC, 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.

### **3.4 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.

4. **Disclaimer**

- 4.1 This REOI has been prepared on a best-efforts basis and all information relating to SLIC, SLICL and SLIGL set out in this REOI has been extracted from published sources of information.
- 4.2 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 GOSL, SOERU, SPC, SpCANC nor any of their respective consultants, employees, agents or advisors (including the Transaction Advisor):
- 4.2.1 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;
  - 4.2.2 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 an Applicant (at any time) in connection with the Bidding Process;
  - 4.2.3 will have any liability under the REOI or for any other written or oral communication transmitted to an Applicant in connection with the SLI Project; or
  - 4.2.4 will be liable to reimburse or compensate an Applicant for any costs or expenses incurred by an Applicant in evaluating or acting upon this REOI or otherwise in connection with the SLI Project.
- 4.3 This REOI constitutes an invitation to submit an EOI. The submission of an EOI does not create or vest in favour of an Applicant any right, interest or claim in relation to this Bidding Process and/or the SLI Project. 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 SLI Project.
- 4.4 The circulation of this REOI or any of its content is not to be construed as any form of commitment or offer by GOSL to proceed with the SLI Project.
- 4.5 Applicants must make their own analysis of the information contained in this REOI and all matters pertaining to the SLI Project and rely on their own assessment for participating in the Bidding Process.
- 4.6 Applicants must keep this REOI, and all information made available to them strictly confidential. The circulation of this REOI by any entity other than SOERU is strictly prohibited.



## **Appendix I - Overview of the insurance industry in Sri Lanka and a description of the SLI Project**

### **0. Contents**

#### **1 Transaction Overview**

##### **1.1 – Company Overview**

##### **1.2 – Transaction Perimeter**

##### **1.3 – Board of Directors and Key Management Personnel**

#### **2 Market Overview**

##### **2.1 Life Insurance Industry Growth**

##### **2.2 General Insurance Industry Growth**

##### **2.3 Insurance Industry Drivers**

##### **2.4 Industry M&A and Market Dynamics**

##### **2.5 Digitalization of the Industry**

#### **3 SLIC Life Business**

##### **3.1 Financial Performance**

##### **3.2 Distribution Channels**

#### **4 SLIC General Business**

##### **4.1 Financial Performance**

##### **4.2 Distribution Channels**

### **1. Transaction Overview**

#### **1.1 Company Overview**

Sri Lanka Insurance Corporation (“SLIC”) was established as a state-owned insurance entity in 1962 under the Insurance act No.2 of 1961. SLIC maintained a monopoly on the insurance industry until 1980, when the National Insurance Corporation was established. In 1988, the industry was liberalized, permitting the entrance of private insurance companies into the industry.

Today, SLIC stands as one of Sri Lanka’s largest insurers, with total GWP of USD 128Mn in 2022. SLIC also has the largest asset base in Sri Lanka of USD 850Mn. The company has won several awards recognizing its strong performance in the industry including the Most Loved Insurance Brand for the 6<sup>th</sup> consecutive year in 2023. SLIC has won awards for Life and General insurance specifically, being awarded the 1st runner up in Most Valued Life Insurance Brand and the Most Valuable General Insurance brand in 2023. SLIC is currently 99.97% owned by the Government of Sri Lanka via the Secretary to the Treasury.

The company’s leading position is sustained by maintaining a strong foothold of key distribution channels across the country. SLIC has built the largest agent network in Sri Lanka, with ~17,000 agents, supported by 53 agency business development centers. SLIC also operates one of the largest branch networks in the country, with 142 branches across all 25 districts and all 9 provinces. With over 2,600 employees, SLIC is also supported by a strong direct sales force. SLIC enters into strategic partnerships to further penetrate the market, including several of Sri Lanka’s leading banks, as bancassurance is a key distribution channel for Life insurance. SLIC has also partnered up with

leading telecommunications service providers, hospitals, and others to retain their market-leading position.

SLIC is a market leader in the Life insurance segment, currently ranking #3 in the industry in terms of GWP. SLIC wrote USD 65Mn of Life insurance premiums in 2022, which has grown at a CAGR of 12% over the last 4 years. SLIC Life has over 1Mn policyholders, currently holding a 15.4% market share. The company operates the largest Life fund in the industry, standing at over USD 485Mn in 2022. Capital adequacy ratio of the Life business is 316%, well above the industry average capital adequacy ratio of 303%.

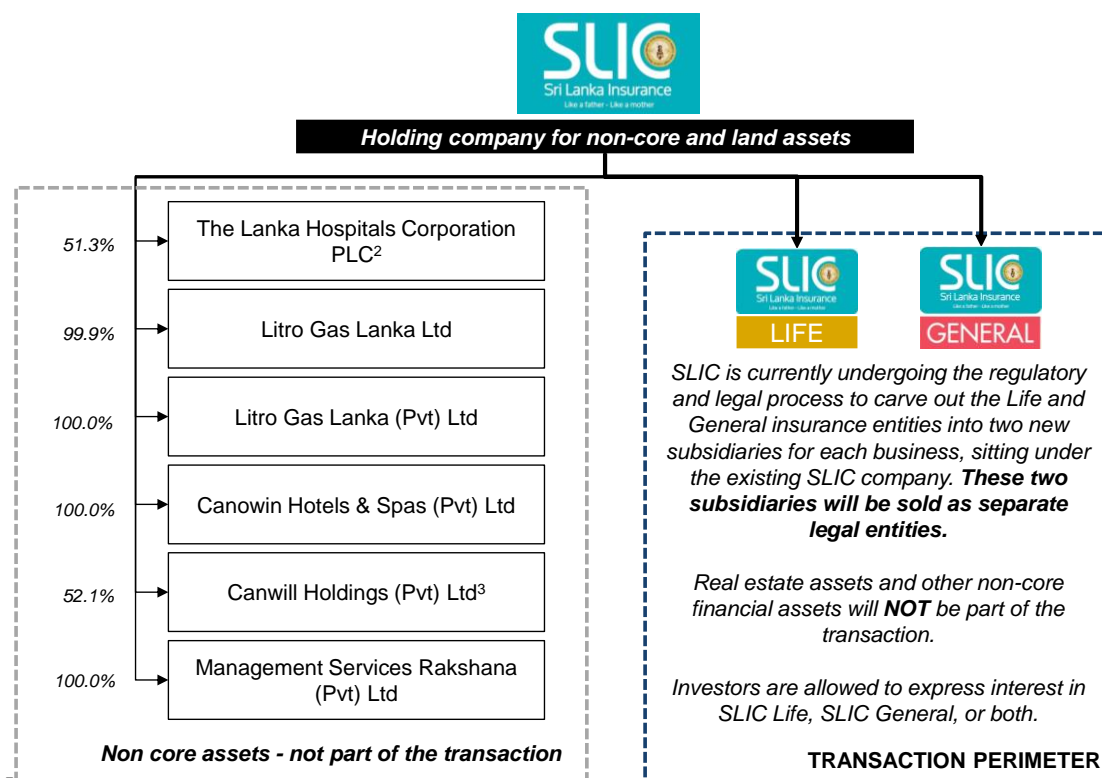
SLIC ranks #2 in terms of market share for General insurance, with total GWP of USD 63Mn in 2022 and a market share of 15.9%. SLIC's GWP in the General insurance grew at a CAGR of 2.4% over the last 4 years, constrained by challenges faced in the motor segment where vehicle imports were banned since 2020. SLIC currently services 1.2Mn General Insurance policy holders. SLIC's fund for General insurance stands at USD 67Mn, and the segment has posted a capital adequacy ratio of 244% in 2022, above the industry average of 207%.

## 1.2 Transaction Perimeter

The principal activities of SLIC are to operate Life and General insurance businesses, however there are several other state-owned enterprises that are held under SLIC. Many of these assets have also been mandated for divestiture by the State-Owned Enterprise Restructuring Unit under the Ministry of Finance.

In 2011, IRCSL mandated the segregation of composite insurers into separate entities for Life and General insurance, and the subsequent listing of these insurers on the stock exchange. The deadlines for these requirements were February 2015 and February 2016 respectively. SLIC was subsequently exempted from these requirements due to its status of being a state-owned insurance company.

The Government of Sri Lanka has now segregated SLIC into Life and General businesses, by carving each business into a new subsidiary sitting under SLIC. Only the Life and General insurance subsidiaries will be considered for this transaction. All non-core assets (other SOE assets) will continue to be held under SLIC but will not be considered in the perimeter of this transaction. Further, land assets will also be maintained within SLIC, where the new Life and General insurance subsidiaries will lease any relevant land assets from the Holding Company (SLIC).



SLIC has completed regulatory and legal processes to complete the segregation, which was effected in January 2024 prior to the SOERU releasing the REOI.

### 1.3 Board of Directors and key managerial personnel

#### Board of Directors

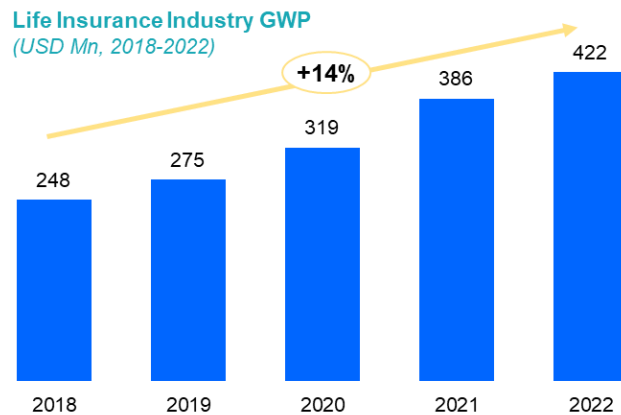
Mr. Ronald Perera (PC)	Chairman
Mr. Anil Koswatte	Non Executive Director
Mr. Nishantha Dayananda	Non Executive Director
Dr. Kithsiri Manchanayake	Non Executive Director
Mr. Dushmantha Thotawatte	Non Executive Director
Mr. Naomal Pelpola	Non Executive Director
Mr. Ravindra Pathmapriya	Non -independent Non Executive Director

#### Key Management

Mr. Chandana Aluthgama	Group CEO
Mr. Aloka Jayawardena	Chief Information Officer
Mr. Priyantha Perera	Chief Officer – General Insurance
Mr. Dayarathne Perera	Chief Officer – Life Insurance

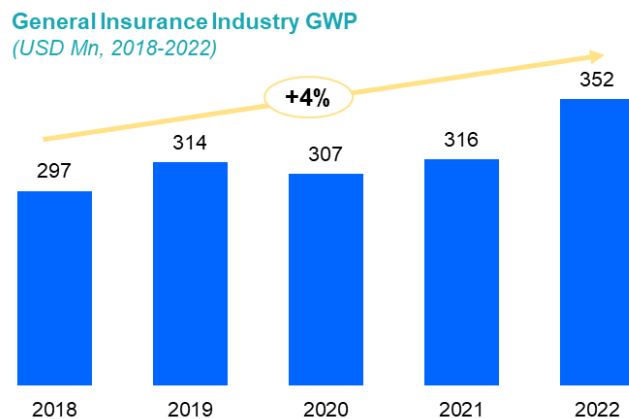
## 2 Market Overview

### 2.1 Life Insurance Industry Growth



Life insurance in Sri Lanka has grown significantly and eclipsed General insurance in recent years. Life insurance accounted for 46% of total insurance GWP in 2018 and now accounts for 55% of GWP as of 2022, growing at a CAGR of 14.1% during the period. Growth in Life insurance is primarily driven by an aging population, supported by increased awareness about Life and health insurance as a result of the COVID-19 pandemic.

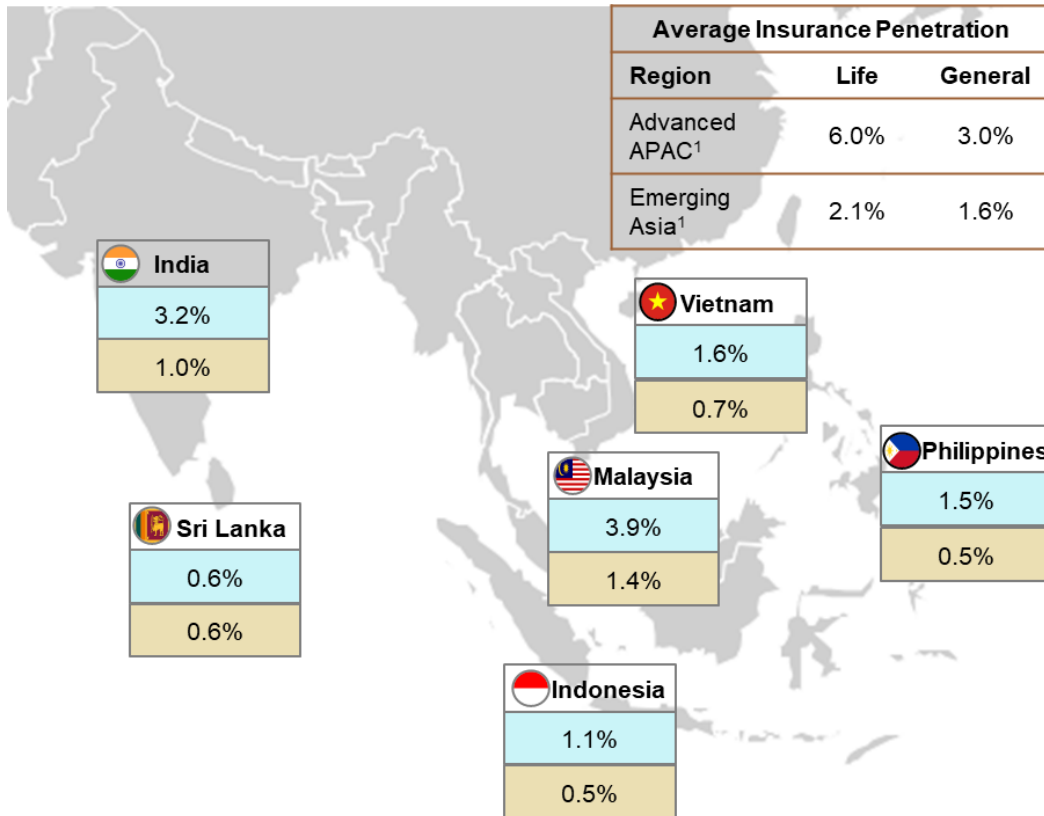
### 2.2 General Insurance Industry Growth



General insurance GWP grew at a CAGR of 4.3% from 2018 to 2022, despite significant challenges in this segment, particularly the 2020 ban on vehicle imports which subdued growth in the motor insurance segment. Motor insurance accounts for 56% of the total GWP in General insurance, and competition has increased significantly amidst the vehicle import ban.

### 2.3 Insurance Industry Drivers

The insurance industry in Sri Lanka has significant runway to grow, as insurance penetration in the country lags emerging Asian peers by far. Insurance penetration stands at 0.6% of GDP in both Life and General insurance. Sri Lanka's insurance penetration is likely to catch up with regional peers over the next 5 years as Sri Lanka outperforms emerging Asian peers on several macro indicators which drive insurance penetration.



1.. As outlined in the Swiss RE report – World insurance: Inflation risks front and centre (2022)



## 2.4 Industry M&A and Market Dynamics

Sri Lanka's insurance market is largely consolidated among a few players. The top 5 players in the General insurance market hold slightly more than 60% of total market share, while the top 5 players in the Life insurance market hold close to 80% of total market share. While the order of the top 5 players may change each year due to individual insurers' performance, the composition of the top 5 rarely changes. A few insurers have developed a strong position organically, but the majority of sizeable shifts in market share have been driven by M&A activity. Several large scale transactions involving both local and foreign players have taken place in the last decade. International insurers

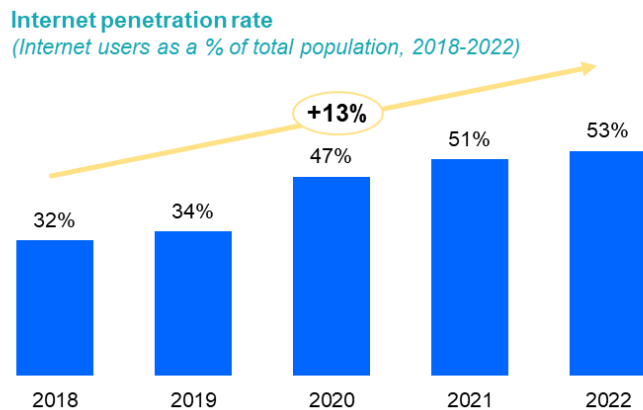
have either entered Sri Lanka via acquiring a large incumbent, or acquired an incumbent to expand to a market-leading position.

Allianz’s acquisition of Janashakthi General Insurance in 2018, allowed Allianz to increase from a 6% market share to 18%, becoming the largest General insurer at the time. Canadian Insurer Fairfax entered the Sri Lankan market via acquisitions of both Union Assurance General and Asian Alliance General Insurance, resulting in a 10% market share in General Insurance post-completion of these transactions.

Foreign insurers have also in some cases opted to take up minority stakes in local players, with Japanese insurance giant Mitsui Sumitomo acquiring a 15% stake in Ceylinco Insurance PLC across two transactions in 2018.

## 2.5 Digitalization of the Industry

Sri Lanka’s digital economy has expanded greatly in the last 5 years, with internet penetration nearly doubling from 32% in 2018 to 53% in 2022. In addition, the country has made great strides in financial inclusivity, with close to 90% of the population having an account with a financial institution. The COVID-19 pandemic accelerated digital adoption, particularly in financial services, with 47.2% of the population having made a digital payment in 2022.



In the last few years several digital technologies were adopted in the financial services industry. Many digital banking apps have entered the market and are highly successful such as Nation Trust Bank’s Frimi app and Sampath Bank’s Vishwa app. While the insurance industry has been slow to adopt digital technologies, the entrance of online insurance brokers such as InsureMe and Clicktoinsure are supporting the digitalization of the industry.

SLIC continues to make investments in digitalization in a bid to win share as the industry adopts digital technologies. SLIC has developed an integrated mobile app which allows users to manage their policy and make policy payments, along with a virtual loyalty card to incentivize consumers to use SLIC’s digital platforms. The company has also partnered up with telecommunications companies to facilitate mobile, online payments for policies. SLIC mobile app currently offers virtual claim assistance for motor insurance customers, allowing them to have their vehicle inspected after an accident and assessed remotely by an inspector.

SLIC looks to further improve its digital offering through IT-enabled process streamlining. This includes Smart Claims process, where approval for claims with small amounts are shortened significantly, resulting in faster release of reserve capital. SLIC is also pushing for more “paperless” to reduce time taken for insurance application and claims approval.






### 3 SLIC Life Insurance Business

#### 3.1 Financial Performance

SLIC's Life insurance business has grown considerably in recent years, at a CAGR of 12.2% since 2018, eclipsing the General insurance segment. While GWP in Life insurance declined by 4.8% in 2022 as disposable incomes were challenged amidst the crisis, the number of policyholders declined by only 0.7%, showcasing that SLIC was able to retain its customers but GWP per policy declined due to the crisis.







SLIC currently stands as the 3<sup>rd</sup> largest life insurer in the country, conceding the #2 position to Softlogic Life in 2022. However, SLIC has over 1 Mn policies in force, the 2<sup>nd</sup> highest amongst life insurers.

Player	GWP (USD Mn, 2022)	Market share (% of GWP, 2022)	No. of Life Policies in force
	90	21%	1,046,468
	71	17%	844,398
	<b>65</b>	<b>15.4%</b>	<b>1,018,095</b>
	54	13%	300,568 <sup>1</sup>
	51	12%	265,499 <sup>1</sup>

1. As of 2021

SLIC faced significant upward pressure on claims and expense ratios in 2022, where costs increased significantly amidst high inflation, and GWP declined in the Life segment. SLIC's Life Insurance claim ratio increased significantly in 2022 due to a 31.5% increase in total claims

## Financial performance vs industry

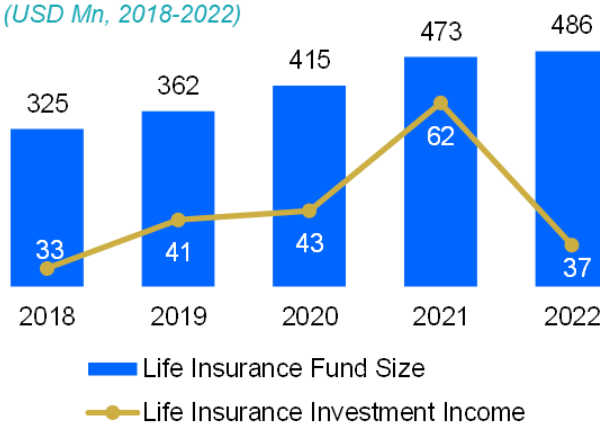
	<b>SLIC</b>	<b>Industry</b>
 <b>Claims ratio<sup>1</sup></b> <i>(Avg 2020-22)</i>	<b>49%</b>	<b>42%</b>
 <b>Expense ratio<sup>1</sup></b> <i>(Avg 2020-22)</i>	<b>37%</b>	<b>41%<sup>2</sup></b>
 <b>Combined ratio<sup>1</sup></b> <i>(Avg 2020-22)</i>	<b>86%</b>	<b>83%<sup>2</sup></b>
 <b>Capital adequacy ratio</b> <i>(2022)</i>	<b>316%</b>	<b>303%</b>

1. Claims ratio, expense ratio, and combined ratio are based on Net Earned Premium, 2. Expense ratio and combined ratio for 2022 are the average of top insurance companies constituting 92% of total Life industry GWP

The Life insurance fund has continued its strong performance throughout successive crises, growing to USD 485Mn in 2022, up from USD 326Mn in 2018. Investment income, which peaked in 2021 at close to USD 62Mn, was weighed down significantly by a slump in equity markets in 2022. SLIC also declared the largest ever bonus in Sri Lanka to participating policyholders of USD 32Mn in 2022, on account of strong fund performance and operational efficiency.

Further, SLIC maintains a healthy capital adequacy ratio of 316% as of 2022, well above the regulatory minimum requirement of 120%, exceeding the industry average of 303% as well.

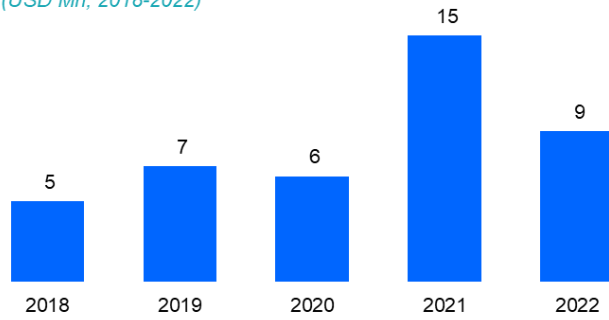
**SLIC – Life Insurance Fund Size and Investment Income**  
*(USD Mn, 2018-2022)*



Profit After Tax in the Life business stood at USD 9Mn in 2022, despite an increased combined ratio and decreased investment income. While this is a significant decrease from 2021, PAT is still higher than levels seen before 2020.

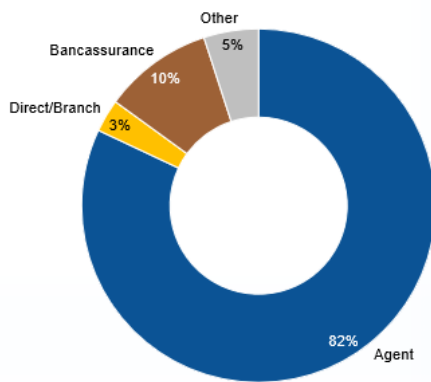


**SLIC Life Insurance PAT**  
(USD Mn, 2018-2022)



### 3.2 Distribution Channels

**Life Insurance industry – channel split**  
(%, 2022)



Insurer	Branches (2022)	Agent network (2022)
SLIC	142	17,067
CEYLINCO LIFE	132	2,868
softlogic LIFE	102	2,890
4IP	110	4,462
UNION ASSURANCE	79	3,177

SLIC dominates distribution via agents, who account for 82% of Life insurance industry GWP in 2022. SLIC has registered agents of 17,067, the largest agent network in the country, and over thrice as many as any other peers.

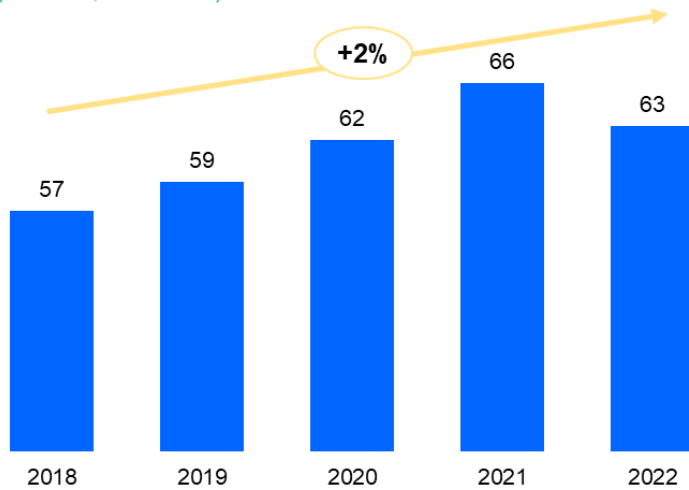
Bancassurance too plays a crucial role in the Life insurance vertical, with 10% of all sales coming through this channel. SLIC has partnered with several of the country’s most prominent financial institutions with Bank of Ceylon, Peoples Bank, Regional Development Bank, and Seylan Bank being among the company’s list of banking partners.

## 4 SLIC General Insurance Business






### 4.1 Financial Performance

SLIC’s total GWP in General Insurance has grown at a CAGR of 2.4% over the last 4 years, reaching USD 63Mn in 2022. An import ban imposed on motor vehicles in 2020 has constrained growth of the motor insurance segment, which accounts for 56% of the General insurance industry. Despite increased competition in the motor insurance segment, SLIC increased market share in the motor segment to 19.9%.

**SLIC General Insurance GWP**  
(USD Mn, 2018-2022)







Further, the dip in SLIC’s GWP was also due to a large government account (“Suraksha” medical insurance scheme by the Ministry of Education) moving away from SLIC in 2022. This account typically moves between the top insurers each year. Hence, SLIC conceded the #1 position in general insurance to Ceylinco in 2022.

Player	GWP (USD Mn, 2022)	Market share (% of GWP, 2022)
	76	18%
	63	16%
	45	12%
	39	10%
	27	6%

As with Life insurance, the General insurance segment saw an increase in claims and expense ratios in 2022. Across the last 3 years, SLIC outperforms peers both on claims ratio and expenses ratio.

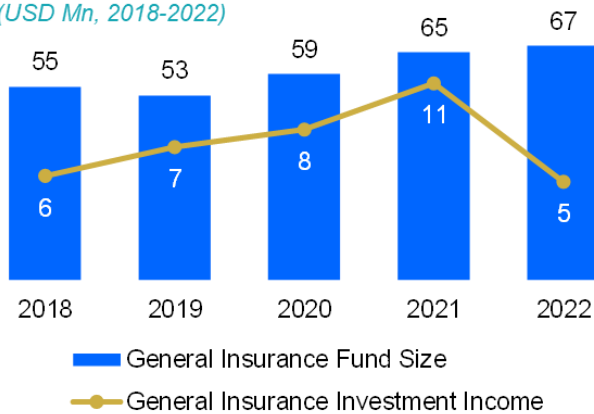
### Financial performance vs industry

	<b>SLIC</b>	<b>Industry</b>
 <b>Claims ratio<sup>1</sup></b> (Avg 2020-22)	<b>58%</b>	<b>60%</b>
 <b>Expense ratio<sup>1</sup></b> (Avg 2020-22)	<b>38%</b>	<b>43%</b>
 <b>Combined ratio<sup>1</sup></b> (Avg 2020-22)	<b>96%</b>	<b>103%</b>
 <b>Capital adequacy ratio</b> (2022)	<b>244%</b>	<b>207%</b>

1. Claims ratio, expense ratio, and combined ratio are based on Net Earned Premium, and excluding SRCC & T

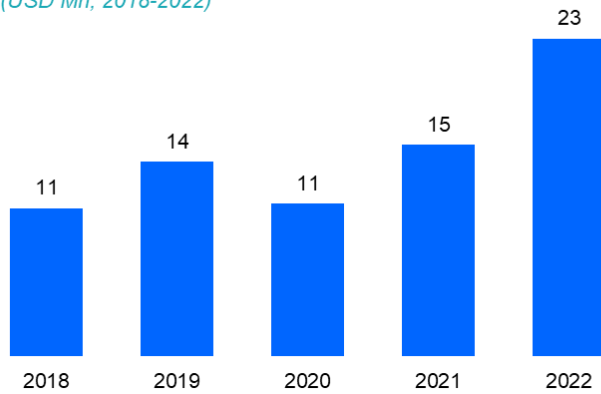
The General insurance fund size grew to USD 67Mn in 2022, up from USD 55Mn in 2018. Investment income in this segment too was weighed down by equity exposure, resulting in a significant contraction to USD 5Mn for the year. SLIC's capital adequacy ratio of 244% exceeds the industry average of 207%, and far exceeds the regulatory minimum requirement of 120%.

**SLIC – General Insurance Fund Size and Investment Income**  
(USD Mn, 2018-2022)



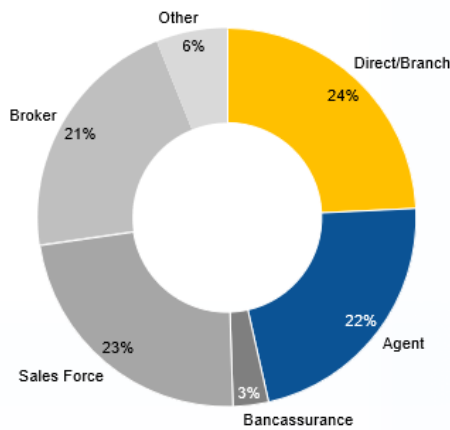
The General Insurance segment turned a USD 23Mn profit after tax primarily due to foreign exchange gains, which offset an increased combined ratio and decreased investment income.






**SLIC General Insurance PAT**  
(USD Mn, 2018-2022)



4.2 Distribution Channels

General Insurance industry – channel split  
(%, 2022)



Insurer	Branches (2022)	Agent network (2022)
 SLIC Sri Lanka Insurance <i>Like a father - Like a mother</i>	142	17,067
 CETLINGO VIP ON THE SPOT REPAIRS & SERVICE	190	990
 Allianz	112	834
 fairfirst INSURANCE	66	444
 LOLC	80	304

The largest channel in the General Insurance segment is direct/branch sales, which account for 24% of General insurance GWP in 2022. SLIC operates the second largest branch network in the country, with 142 branches strategically located across all 25 districts.

In addition, the group has also entered into a diverse array of partnerships with non-bank players, including two of the country’s largest telecom service providers – Dialog and Mobitel – as well as Lanka Hospitals PLC, a leading hospital in Colombo to support new business development.

## Appendix II – Data Sheet

<b>Project Name</b>	SLI Project
<b>Issuer of REOI</b>	Government of Sri Lanka through Ministry of Finance, Economic Stabilization and National policies, State-Owned Enterprises Restructuring Unit
<b>Contact Person</b>	Ms. Nabiha Mohamed Transaction Lead State Owned Enterprises Restructuring Unit Ministry of Finance, Economic Stabilization & National Policies 3rd Floor, Lotus Building, Temple Trees, Colombo 03, Sri Lanka.
<b>Official Website</b>	<a href="https://www.treasury.gov.lk/web/sru/section/divestitures">https://www.treasury.gov.lk/web/sru/section/divestitures</a>
<b>Address for Submission of EOIs</b>	Chairman, Special Cabinet Appointed Negotiating Committee Ministry of Finance, Economic Stabilization & National Policies 3rd Floor, Lotus Building, Temple Trees, Colombo 03, Sri Lanka.
<b>Online Submission</b>	SLIC@sru.gov.lk
<b>EOI Due Date</b>	On or before 14.00 hours IST on 27 <sup>th</sup> February 2024
<b>Time and Place for Opening of EOIs</b>	On or before 15.00 hours IST on 27 <sup>th</sup> February 2024  State Owned Enterprises Restructuring Unit Ministry of Finance, Economic Stabilization & National Policies 3rd Floor, Lotus Building, Temple Trees, Colombo 03, Sri Lanka.

### Appendix III – Formats for EOI

Annexure A	Letter comprising the EOI
Annexure B	General Information of the Applicant
Annexure C	Letter of Authority (except where the Applicant is an individual)
Annexure D	Disclosure on Ultimate Beneficial Owners
Annexure E	Undertaking on Conflict of Interest
Annexure F	Letter issued by the Group Entity, if applicable
Annexure G	EOI Checklist

## **Annexure A – Letter comprising the EOI**

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

[Date]

Chairman,  
Special Cabinet Appointed Negotiating Committee  
Ministry of Finance, Economic Stabilization & National Policies  
3rd Floor, Lotus Building, Temple Trees,  
Colombo 03,  
Sri Lanka.

**EOI - [SLICL Shares / SLIGL Shares] \*\***

Dear Sir/Madam,

1. With reference to the REOI dated [*insert date*], 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 [SLICL Shares / SLIGL Shares].\*\* This statement is made for the express purpose of qualifying as a Bidder for the acquisition of [SLICL Shares / SLIGL Shares]. \*\*
4. I/We shall make available to GOSL any additional information it may find necessary or require to supplement or authenticate the EOI.
5. I/We acknowledge the right of GOSL 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:
  - (a) I/We have examined and have no reservations to the REOI, including any Addendum issued by GOSL.
  - (b) I/We do not have any Conflict of Interest in accordance with the provisions of the REOI;
  - (c) 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 3.2.2 of the REOI, in respect of any tender issued by or any agreement entered into with any other entity;
  - (d) 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

- (e) I/We hereby certify that we have taken steps to ensure conformity with the provisions of Clause 3.2.2 of the REOI;
  - (f) I/We hereby certify that in the event I/we are selected as the successful Bidder, combined post divestiture market share of [SLICL/SLIGL] \*\* will not be fifty per cent (50%) or more in the relevant sector, determined in accordance with Clause 2.1.2.3 of the REOI.
7. I/We understand that GOSL may cancel the Bidding Process at any time and that GOSL may reject all EOIs at any time or may not proceed with the RFP Stage, without incurring any liability to the Applicants.
  8. I/We declare that we/any Consortium Member do not have a relationship with another Applicant, either directly or through common third parties, which puts us in a position to influence the EOIs and/or the Bids of the other Applicant.
  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 Bidder and may be extended at the sole discretion of GOSL.
  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 Applicant 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 Applicant 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 the [SLICL Shares / SLIGL Shares] \*\* 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 GOSL of the same immediately.



16. [We acknowledge that our Consortium is qualified on the basis of the additional requirements set out under Clause 2.1.2.1 (c) 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 prequalification under and in accordance with the REOI, or in the event of a change in the composition of the Consortium after the Prequalification Stage and prior to the submission of bids at the RFP Stage, I/we shall inform GOSL forthwith along with all relevant particulars and GOSL 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 Definitive Agreements, be deemed a breach thereof, and the Definitive Agreements shall be liable to be terminated without GOSL 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 GOSL in connection with the prequalification of the Applicants, 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 GOSL 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 Definitive Agreements.] \*

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 Applicants other than Consortiums.*

*\*\* Please delete as applicable. For avoidance of doubt, please note that according to Clause 1.2.1.3 of the REOI, Applicants expressing an interest to acquire both SLICL Shares and SLIGL Shares must submit separate EOIs for each of SLICL Shares and SLIGL Shares]*

## ANNEXURE B - General Information of the Applicant

### 1. Details of the Applicant

<b>Name</b>	
<b>Nature of Applicant</b>	[sole Applicant/Consortium]
<b>Country of incorporation/registration</b>	
<b>Address of the corporate headquarters and its branch office(s), if any, in Sri Lanka</b>	
<b>Date of incorporation/registration and/or commencement of business</b>	

### 2. Particulars of the Authorised Representative of the Applicant

<b>Name</b>	
<b>Designation</b>	
<b>Address</b>	
<b>Email</b>	
<b>Phone Number</b>	

### 3. In case of a Consortium, the role of each Consortium Member and its shareholding or ownership of the Consortium is set out below.

<b>Name of the Consortium Member</b>	<b>Role</b>	<b>Shareholding/Ownership of the Consortium</b>

### 4. Documents to be annexed:

- a) The Applicant's profile and background, including brief biographies of key personnel.
- b) Copies of constitutional documents of the Applicant (e.g.- Memorandum and Articles of Association), as appropriate, certified/issued by the relevant commercial registry.
- c) Copies of statutory filings relating to the Applicant confirming the latest directors and members of the Applicant (e.g.- copies of filings with commercial registries), certified/issued by the relevant commercial registry.

- d) 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.
  
- e) Financials:
  - i. For body corporates, the latest audited financial statement, which must be dated not earlier than 31<sup>st</sup> March 2022, or the last day of the fiscal year of the Applicant/Consortium Member, whichever is later to demonstrate a minimum Net Worth of at least United States Dollars Fifty Million (USD 50,000,000) or its equivalent. The audited financial statements must be certified by the Applicant's auditor; and
  
  - ii. Applicants other than body corporates, a certificate dated on or after the date of issuance of this REOI, issued by a practicing chartered accountant, or by any other professional having an equivalent qualification and permission/license to practice from a governmental or regulated authority of the jurisdiction applicable to such professional to demonstrate that the Applicant has available investable funds or deployable capital of at least United States Dollars Fifty Million (USD 50,000,000) or its equivalent .

## Annexure C – Letter of Authority

*(On the letter head of the Applicant, other than individual Applicants)*

[Date]

Chairman,  
Special Cabinet Appointed Negotiating Committee  
Ministry of Finance, Economic Stabilization & National Policies  
3rd Floor, Lotus Building, Temple Trees,  
Colombo 03,  
Sri Lanka.

Sir/Madam,

### SLI Project - Letter of Authority

1. This is with reference to the REOI for the SLI Project.
2. We [*insert name of the Applicant (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 Applicant (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 SLI Project including but not limited to submitting the EOI, addressing any request for clarification and other communications and signing the Definitive Agreements.
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 Authorised  
Representative: \_\_\_\_\_

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. Capitalized 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 Applicant)

(Name and designation of the authorised signatory of the Applicant)

## Annexure D – Disclosure on Ultimate Beneficial Owners

*(On the letterhead of the Applicant or each Consortium Member, in the event of a Consortium)*

[Date]

Chairman,  
Special Cabinet Appointed Negotiating Committee  
Ministry of Finance, Economic Stabilization & National Policies  
3rd Floor, Lotus Building, Temple Trees,  
Colombo 03,  
Sri Lanka.

Dear Sir/Madam,

### SLI Project - EOI

We write with reference to the captioned EOI. Capitalized 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 **Annex I** 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 Applicant/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 **either** item 3 or 4 below, as applicable, if the sole Applicant/Consortium Member is not a listed entity]*
3. To be completed by sole Applicants and Consortium Members which are body corporates:
  - (a) 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 Applicant/Consortium Member is a listed entity, please set out the details of the listed entity in the paragraph (b) 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 (c) below after completing the table]*

Nature of UBO	Name	Registration No. and Address		Direct/Indirect Ownership Interest Percentage in the Applicant or Consortium Member
		OR		
		Passport No.	National Identification No.	
<i>[Individual/listed entity]</i>				

(b) 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*].\*

(c) We confirm that [*insert name(s) of the entity/entities who are beneficial owner(s)*] are not body corporates, and are managed by the persons listed below.\*

Name	Passport No./National Identification No.	Address

4. To be completed by sole Applicants and Consortium Members which are not body corporates:

The details of the individuals exercising management control over us are set out below.

Name	Passport No./National Identification No.	Address

We acknowledge and agree that additional information may be sought regarding the above in accordance with Clause 2.3.4 of the REOI.

Yours faithfully,

(Signature of the Authorised Representative)

(Name and designation of the Authorised Representative)

\*Please complete as applicable.

## **Annexure E – Undertaking on Conflict of Interest**

*(On the letterhead of the Applicant or each Consortium Member, in the event of a Consortium)*

[Date]

Chairman,  
Special Cabinet Appointed Negotiating Committee  
Ministry of Finance, Economic Stabilization & National Policies  
3rd Floor, Lotus Building, Temple Trees,  
Colombo 03,  
Sri Lanka.

Dear Sir/Madam,

### **SLI Project - EOI**

We write with reference to the captioned EOI. Capitalized 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 SLIC, SLICL, SLIGL and MSRPL are disclosed below: *[Please include information or provide a negative confirmation]*
2. any and all business/family relationships between any officers or employees of SLIC , SLICL, SLIGL and MSRPL/Transaction Advisors/other advisers appointed by GOSL relating to the SLI Project/Standing Cabinet Appointed Consultant Procurement Committee 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 3.2.1.1 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 an Applicant.

Yours faithfully,

(Signature of the Authorised Representative)

(Name and designation of the Authorised Representative)





## Annexure F - Letter issued by the Group Entity

*(On the letterhead of the Group Entity)*

[Date]

Chairman,  
Special Cabinet Appointed Negotiating Committee  
Ministry of Finance, Economic Stabilization & National Policies  
3rd Floor, Lotus Building, Temple Trees,  
Colombo 03,  
Sri Lanka.

Dear Sir/Madam,

### **SLI Project - EOI**

We write with reference to the captioned EOI. Capitalized 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 Applicant]* (hereinafter referred to as “**Applicant**”), the undersigned being duly authorized 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 Applicant pursuant to the EOI hereby confirm that:

1. We have read and understood the contents of the REOI, and documents submitted by the Applicant pursuant to the REOI.
2. We confirm that we are a Group Entity of *[insert name of Applicant/Consortium Member]* and that our shareholding in the *[Applicant/Consortium Member]* is not less than 26% of the total shareholding/ownership of the *[Applicant/Consortium Member]*.
3. *[Insert name of the Group Entity]* shall be jointly and severally liable along with the Applicant for any obligation of the Applicant under any document and undertaking executed by the Applicant pursuant to the EOI and in relation to the SLI Project. We will also sign and be parties to all Definitive Agreements, as required.
4. All conditions prescribed in the REOI and the undertakings provided by the Applicant, 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 signatory of the Group Entity)

(Name and designation of the of the authorised signatory of the Group Entity)

### Annexure G – The EOI Checklist

#	Item	Checked by Applicant	Checked by GOSL
1.	Letter comprising the EOI (Appendix III – Annexure A)		
2.	General Information of the Applicant (Appendix III – Annexure B)		
3.	Documents to be annexed to Appendix III – Annexure B		
	(a) The Applicant’s profile and background, including brief biographies of key personnel.		
	(b) Copies of constitutional documents of the Applicant (e.g.- Memorandum and Articles of Association), as appropriate, certified/issued by the relevant commercial registry.		
	(c) Copies of statutory filings relating to the Applicant confirming the latest directors and members of the Applicant (e.g.- copies of filings with commercial registries), certified/issued by the relevant commercial registry		
	(d) 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		
	(e) For body corporates, the latest audited financial statement, which must be dated not earlier than 31 <sup>st</sup> March 2022, or the last day of the fiscal year of the Applicant/Consortium Member, whichever is later to demonstrate a minimum Net Worth of at least United States Dollars Fifty Million (USD 50,000,000) or its equivalent. The audited financial statements must be certified by the Applicant’s auditor		
	(f) Applicants other than body corporates, a certificate dated on or after the date of issuance of this REOI, issued by a practicing chartered accountant, or by		

	any other professional having an equivalent qualification and permission/license to practice from a governmental or regulated authority of the jurisdiction applicable to such professional to demonstrate that the Applicant has available investable funds or deployable capital of at least United States Dollars Fifty Million (USD 50,000,000) or its equivalent		
4.	Letter of Authority (Appendix III – Annexure C)		
5.	Disclosure on Ultimate Beneficial Owners (Appendix III – Annexure D)		
6.	Undertaking on Conflicts of Interests (Appendix III – Annexure E)		
7.	Letter issued by the Group Entity, if applicable (Appendix III – Annexure F)		
8.	EOI Checklist (Appendix III - Annexure G)		

## Appendix IV - NDA

*[On Government of Sri Lanka Letterhead]*

### NON-DISCLOSURE AGREEMENT

To: [\*]

Dear Sir/Madam

**Strategic Divestiture of [Sri Lanka Insurance Corporation Life Limited / Sri Lanka Insurance Corporation General Limited] – Non-disclosure Agreement**

#### 1. PURPOSE

The Government of the Democratic Socialist Republic of Sri Lanka (**GoSL**) acting through the Secretary to the Ministry of Finance, Economic Stabilization and National Policies and its State Owned Enterprises Restructuring Unit (**SOERU**) has requested that you enter into this non-disclosure agreement (this **Agreement**) in connection with its divestiture of shares in [**Sri Lanka Insurance Corporation Life Limited / Sri Lanka Insurance Corporation General Limited**] (the **Company**) in accordance with the Special Guidelines on Divestiture of State-Owned Enterprises dated 14 August 2023.

[\*] (the **Qualified Bidder**) has expressed an interest in participating in the divestiture of the Company and purchasing a majority or the entirety of the issued share capital of the Company from the Secretary to the Treasury of the GoSL (the **Seller**). In this Agreement that potential purchase is referred to as the **Transaction**. This Agreement sets out undertakings by the Qualified Bidder about the use of certain information relevant to the Transaction. The Qualified Bidder is providing these undertakings in favour of the Seller and its Connected Persons in return for the Seller agreeing to make the Information available. Capitalised terms and expressions are defined in the main body of this Agreement or in the schedule.

#### 2. CONFIDENTIALITY UNDERTAKINGS

2.1 The Qualified Bidder and each Recipient shall hold the Information in strict confidence and may not copy or reproduce it or disclose it to any person other than to an Authorised Recipient. For the purpose of this Agreement, ‘disclosing’ Information includes making it available in any way, whether deliberately or not.

2.2 The Qualified Bidder shall use Information only for evaluating the Transaction, and not for any other purpose. Each Recipient of Information shall use Information only for evaluating the Transaction and/or providing services to the Qualified Bidder or its subsidiaries in connection with the Transaction, and not for any other purpose.

2.3 In this Agreement the obligations in this paragraph 2 are referred to as the **Undertakings**.

#### 3. EXCEPTIONS

3.1 The Seller, the Director General of SOERU for and on behalf of GOSL, may consent in writing to override certain of the Undertakings in any particular case. If it does so, then, to that extent only, the Undertakings shall not apply.

- 3.2 The Undertakings shall not apply to Information to the extent that the following circumstances apply to that Information:
- (a) the Information is already in the public domain when it is first made available to the Qualified Bidder;
  - (b) the Information subsequently enters the public domain, other than through breach of any of the Undertakings;
  - (c) when the Information was first made available to the Qualified Bidder, it was already in the lawful possession of the Qualified Bidder or an Authorised Recipient;
  - (d) the Transaction is completed by the Qualified Bidder and the Information relates solely to the business of the Group; or
  - (e) the Information is required to be disclosed by applicable law or regulation. If the Qualified Bidder believes that this subparagraph (e) applies, it shall, as far as it is practicable and lawful to do so, first consult the Seller to give the Seller an opportunity to contest the disclosure and take into account the Seller's reasonable requirements about the proposed form, timing, nature and extent of the disclosure.

#### **4. ALL RECIPIENTS TO COMPLY WITH THIS AGREEMENT**

The Qualified Bidder shall ensure that each Recipient is aware of the terms of this Agreement, and complies with its terms as if it had itself signed the Agreement and agreed to its terms. The Qualified Bidder shall be responsible for any breach of the terms of this Agreement by any Recipient as if the Qualified Bidder were the party that had breached this Agreement.

#### **5. DESTRUCTION OR RETURN OF INFORMATION**

- 5.1 If the Seller asks the Qualified Bidder or any Recipient to destroy Information or return Information to the Seller, paragraph 5.2 shall apply, subject to paragraph 5.3.
- 5.2 Within 10 days of receiving the request, the Qualified Bidder and each Recipient shall destroy, or return to the Seller, all copies of any document that contains the Information. For these purposes, 'document' includes any material prepared by or on behalf of the Qualified Bidder or any Recipient. The Qualified Bidder and each Recipient shall take reasonable steps to erase the Information, and any document referred to in this paragraph 5.2, from any computer or other digital device on which it is held. The Qualified Bidder shall appoint one of its authorised officers to supervise the steps contemplated in this paragraph 5.2, and to certify in writing to the Seller that such steps have been carried out.
- 5.3 The Qualified Bidder or a Recipient may retain any Information if it is required to do so by any applicable law or regulation, including the rules of a professional body. Any Information retained under this paragraph 5.3 shall continue to be held in compliance with this Agreement.

#### **6. NO REPRESENTATION OR WARRANTY**

- 6.1 The Qualified Bidder and each Recipient understands that the Information does not purport to be all-inclusive and that neither the Seller nor any of its Connected Persons makes any representation or warranty as to its accuracy, reliability or completeness. The Qualified Bidder and each Recipient agrees that neither the Seller nor any of its Connected Persons:
- (a) has any obligation to provide further information, to update the Information, or to correct any inaccuracies in it;

- (b) has any obligation to enter into or continue discussions or negotiations in respect of the Transaction; or
- (c) has any liability to the Qualified Bidder, any Recipient or any other person resulting from the use of Information by the Qualified Bidder or any Recipient.

6.2 This paragraph 6 shall not exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

## **7. RESTRICTIONS ON CONTACT WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS**

7.1 The Qualified Bidder and each Recipient shall:

- (a) direct all communications relating to the Transaction only to SOERU at the contact details which have been provided; and
- (b) not make, or have, any contact with any officer, manager or employee of the Seller or any member of the Group, other than anyone identified in writing by the Director General of SOERU for and on behalf of GOSL or the Seller for this purpose.

7.2 Subject to paragraph 7.3, the Qualified Bidder and each Recipient shall not, without the Seller's or the Director General of SOERU's (for and on behalf of GOSL) prior written consent,

- (a) make or have any contact, in relation to the Transaction, with any person who is currently a customer, contractor or sub-contractor of, or supplier to, any member of the Group; or
- (b) make any enquiries of any of them in relation to the Transaction,  
  
in either case, whether directly or indirectly.

7.3 The Qualified Bidder (and any subsidiary of the Qualified Bidder) may contact its existing customers and suppliers in the ordinary course of its existing business, but only if it does not refer in any way to the Transaction.

7.4 For a period of two years after the date of this Agreement, the Qualified Bidder and each Recipient shall not, without the prior written consent of the Seller:

- (a) directly or indirectly solicit, endeavour to entice away, employ or offer to employ, any officer, manager or employee presently in the employment of any member of the Group. For these purposes, it does not matter whether that person knows of any Information, or would commit a breach of their contract of employment by reason of their leaving the employment; or
- (b) solicit or endeavour to entice away any person who is currently a customer of, or supplier to, any member of the Group, in each case whether directly or indirectly.

7.5 Paragraph 7.4 shall not apply to a recruitment offer made to any person who contacts the Qualified Bidder or any of the Recipients solely on their own initiative, or in response to a *bona fide* employment advertisement that is not directed at one or more employees of the Group.

## **8. THIS CLAUSE IS NOT APPLICABLE**

## **9. TERM**

9.1 Except as expressly set out in this Agreement, the obligations in this Agreement shall take effect from the date the Qualified Bidder signs it and shall remain in effect for two years after that date.

**10. NO DUTY OF CARE**

Neither the Seller nor any of its Connected Persons shall owe any duty of care to the Qualified Bidder or to any other person. The Qualified Bidder and each Recipient acknowledges that no person has, or is held out as having, any authority to give any statement, warranty, representation or undertaking on behalf of the Seller in connection with the Transaction.

**11. DAMAGES NOT AN ADEQUATE REMEDY**

11.1 The Qualified Bidder and each Recipient acknowledges that a person with rights under this Agreement may be irreparably harmed by any breach of its terms, and that damages alone may not necessarily be an adequate remedy.

11.2 The Qualified Bidder and each Recipient acknowledges that, without affecting any other rights or remedies if a breach of the terms of this Agreement occurs or is threatened, the remedies of injunction, specific performance and other equitable relief, or any combination of these remedies, may be available.

11.3 The Qualified Bidder and each Recipient also agrees that it shall, if any of the remedies set out in paragraph 11.2 is sought in relation to any threatened or actual breach of the terms of this Agreement, waive any rights it may have to oppose that remedy on the grounds that damages would be an adequate alternative.

**12. ASSIGNMENT**

If a third party acquires all, or a material part, of the issued share capital, business or assets of the Company the rights of the Seller under this Agreement may be assigned or transferred in whole or in part to that third party and that third party may enforce this Agreement to the same extent and in the same manner as the Seller may enforce it.

**13. NO WAIVER**

No failure to exercise, or delay in exercising, any right by the Seller under this Agreement or provided by law shall affect that right or operate as a waiver of the right. The single or partial exercise of any right under this Agreement or provided by law shall not preclude any further exercise of it.

**14. SURVIVING PROVISIONS**

The Qualified Bidder and each Recipient acknowledges and agrees that, whether or not the Transaction is implemented, the undertakings set out in this Agreement shall survive completion of negotiations with the Seller.

**15. INVALIDITY**

If and to the extent that any provision of this Agreement is held to be invalid or unenforceable, it shall be given no effect and shall be deemed not to be included in this Agreement, but everything else in the Agreement shall continue to be binding.

**16. VARIATION**

The Seller and the Qualified Bidder may by agreement terminate it or vary its terms, other than the terms of paragraph 6, in any way without the consent of any of the Seller's Connected Persons.

**17. THIRD PARTY RIGHTS**

Each of the Seller's Connected Persons may enforce the terms of this Agreement, as varied from time to time under paragraph 16. To the extent that the terms of this Agreement are varied, the rights of any person to enforce the terms of this Agreement under this paragraph 17 shall be qualified accordingly. Such a person may enforce those terms subject to, and in accordance with the terms of paragraph 18 and 19. Other than as provided in paragraph 12 and this paragraph, a person who is not a party to this Agreement shall have no right to enforce any of its terms.

**18. GOVERNING LAW**

Each of this Agreement, any non-contractual obligations arising out of or in connection with it, the relationship between the parties and the conduct of the Transaction, shall be governed by, and interpreted in accordance with, Sri Lankan law.

**19. JURISDICTION**

The Sri Lankan courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement including, without limitation disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, termination or the legal relationships established by, this Agreement; and (ii) any non-contractual obligations arising out of or in connection with this Agreement. For such purposes each party irrevocably submits to the jurisdiction of the Sri Lankan courts and waives any objection to the exercise of such jurisdiction. Each party also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by a Sri Lankan court exercising jurisdiction pursuant to this clause.

**20. WHOLE AGREEMENT**

- 20.1 This Agreement sets out the whole agreement between the Seller and the Qualified Bidder in respect of the subject matter of this Agreement and supersedes any previous draft, agreement, arrangement or understanding, whether in writing or not, relating to its subject matter.
- 20.2 Every term or condition implied by law in any jurisdiction in relation to the subject matter of this Agreement shall be excluded to the fullest extent possible, and to the extent that it is not possible to exclude any such term or condition, the Seller and the Qualified Bidder each irrevocably waives any right or remedy in respect of it.
- 20.3 Nothing in this paragraph 20 shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.
- 20.4 The Seller also agrees to the terms of this paragraph 20 as agent for each of its Connected Persons.

**21. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

Please acknowledge your receipt of this Agreement and your acceptance of its terms by countersigning this Agreement and returning it to us.



Yours faithfully

**By**.....

for and on behalf of

**Name: Kanakarathna Mudiyansele Mahinda Siriwardana**

**Title: Secretary, Ministry of Finance, Economic Stabilization and National Policies**

**By**.....

for and on behalf of

[Sri Lanka Insurance Corporation Life Limited / Sri Lanka Insurance Corporation General Limited]

**AGREED AND ACCEPTED**

**By**.....

for and on behalf of [\*]

**Dated** .....