

WINDFORCE PLC

CIRCULAR TO SHAREHOLDERS

PROPOSED EMPLOYEE SHARE OPTION SCHEME (ESOS)

Date: 24th July 2025

To: All Shareholders of WindForce PLC

Dear Shareholder,

This Circular is issued to provide you with comprehensive information regarding the proposed Employee Share Option Scheme (ESOS) of WindForce PLC (the “Company”) and to seek your approval for the same at an Extraordinary General Meeting (EGM) to be held on 21st August 2025 at 10:00 A.M. at WindForce PLC; No.334, T. B. Jayah Mawatha, Colombo 10., as detailed below.

1. INTRODUCTION

Incorporated in July 2010, WindForce PLC (“The Company”) was established to promote and manage all facets of renewable energy development. Since inception, the Company has grown to become one of the most successful entities in its sector. Despite unprecedented challenges in the macroeconomic environment, WindForce PLC has consistently upheld its dividend track record, underscoring the resilience and robustness of its business model.

Looking ahead, the Company remains committed to its growth trajectory, underpinned by strategic initiatives aimed at enhancing profitability and scaling operations. To support this forward momentum, the Board of Directors, following the recommendations of the Remuneration Committee, has approved the introduction of an Employee Share Option Scheme (ESOS), by way of a Board Resolution dated 04 June 2025.

The ESOS, which is subject to shareholder approval and the requisite clearance from the Colombo Stock Exchange (CSE), has been structured in accordance with the provisions of the Articles of Association of the Company, the Companies Act No. 7 of 2007 (as amended), and the Listing Rules of the CSE.

The primary objective of the ESOS is to incentivize and retain key talent by offering eligible employees an opportunity to acquire equity in the Company. This initiative is designed to align employee interests with those of shareholders and foster long-term value creation.

2. KEY FEATURES OF THE APPROVED ESOS

Under the proposed ESOS, the Company will grant (“Options”) to eligible employees who will be entitled to exercise their Options to purchase ordinary voting shares in the Company. The plan will be subject to limits, terms and conditions set out hereunder.

2.1 Total Number of Shares

The ESOS will result in the issuance of ordinary voting shares not exceeding 3% of the pre-ESOS issued number of shares of the Company, amounting to a maximum of 40,523,068 shares. This figure may only change depending on the occurrence of a “Standard Adjustment Event” mentions in this circular.

2.2 Duration

The shares underlying the Options will be absolutely transferred to the employees within a period of ten (10) years from the date of shareholder approval. All the shares underlying the Options granted under this ESOS will be absolutely transferred to the employees within the said period, subject to the eligible employees exercising entirety of the Options granted.

2.3 Eligible Employees

Eligibility under the ESOS is limited to Management Staff Level 1 and Level 2:

- **Level 1:** Managing Director, C-Level Executives, and General Managers — eligible regardless of tenure of employment with the Company.
- **Level 2:** Deputy General Managers, Managers, Assistant Managers, Engineers, Assistant Engineers, and the Secretary — eligible upon completing a minimum of five (5) years of continuous employment with the Company as of the relevant Grant Date.

The Board of Directors will determine the eligible percentage for Level 1 employees. The Management Committee which consists of Level 1 employees (Managing Director, Chief Executive Officer, Chief Operating Officer, Chief Development Office & the Chief Financial Officer) will then recommend the allocations for Level 2 employees, subject to the Board's approval.

Eligibility under the ESOS shall not, in itself, confer any right or entitlement on the eligible employees to receive a grant of Options, and all decisions regarding the grant and number of Options shall be at the sole discretion of the Board or the Management Committee, as applicable, in accordance with the above

2.4 Grant, Vesting, and Exercise Schedule

The Options will be granted to the eligible employees in five (5) tranches, as set out below.

The Grant Date would be the date on which the Board of Directors and the Management Committee approve the grant of Options to eligible employees. Such Options will vest in tranches of 50% each in favour of the respective eligible employees, in accordance with the following schedule.

During the Exercise Period, the eligible employees in whom the Options have vested may inform the person designated by the Management and the said designated person will inform the Company Secretary of his/her intention to exercise the Option, together with the payment of the Exercise Price. The number of Options exercised on any occasion shall not be less than 1,000.

Options not exercised during the 1st Exercise Period can be carried forward to the 2nd Exercise Period. All Options that remain unexercised at the end of the 2nd Exercise Period will lapse.

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Percentage of ordinary voting shares	1%	0.50%	0.50%	0.50%	0.50%
Number of ordinary voting shares	13,507,689	6,753,845	6,753,845	6,753,845	6,753,845
Grant Date	22 August 2025	22 August 2026	22 August 2027	22 August 2028	22 August 2029
1 st Vesting Date - 50% of the Options	22 August 2025	22 August 2026	22 August 2027	22 August 2028	22 August 2029
2 nd Vesting Date - 50% of the Options	22 August 2026	22 August 2027	22 August 2028	22 August 2029	22 August 2030
1 st Exercise Period - 50% of the Options	23 August 2025 to 22 August 2028	23 August 2026 to 22 August 2029	23 August 2027 to 22 August 2030	23 August 2028 to 22 August 2031	23 August 2029 to 22 August 2032
2 nd Exercise Period - 50% of the Options	23 August 2026 to 22 August 2028	23 August 2027 to 22 August 2029	23 August 2028 to 22 August 2030	23 August 2029 to 22 August 2031	23 August 2030 to 22 August 2032

2.5 Exercise Price

The exercise price for each grant shall be the Volume Weighted Average Price (VWAP) of the Company's shares over the thirty (30) market days immediately preceding the respective Grant Date.

2.6 Other Key Provisions

- Shares issued under the ESOS shall rank *pari passu* with existing ordinary voting shares.
- An employee will not be permitted to acquire through the ESOS more than one percent (1%) of the total number of shares issued by the Company, unless the prior approval of the shareholders of the Company is obtained by way of a special resolution at a General Meeting.
- All unexercised Options will be cancelled in the event of death, resignation, dismissal, suspension or disciplinary action with the Board of Directors having the sole discretion to consider granting of Options earned by the eligible employees, notwithstanding the retirement of such employee.
- The directors of the Company further confirm that the Company or any of its subsidiaries shall not directly or indirectly provide financial assistance to employees for the acquisition of shares.

- In accordance with Rule 5.6.6 (a) (ii) of the Listing Rules, an adjustment would be made to the Exercise Price and/ or number of Options arising due to a “Standard Adjustment Event” which would include:
 - (a) additional share issuances arising from events such as rights issues, scrip dividends, bonus issues/ capitalization of reserves etc. and subdivision of shares.
 - (b) reduction in the number of shares arising from repurchase of shares, consolidation of shares etc.
- In the event of the number of options granted each year being less than the number of options which could have been granted for such a year, the shortfall for such year could be carried forward to a subsequent year and granted in that year, provided however the last Grant Date would be 22 August 2029.
- If a Standard Adjustment Event occurs the Company will immediately disclose the adjusted Exercise Price/number of shares underlying the Options that have not been exercised to the Colombo Stock Exchange. The adjustment will be made in such a way that an eligible employees will not receive a benefit that a shareholder does not receive.
- The Company will not vary the terms of the ESOS, which is approved by the Colombo Stock Exchange, except upon the occurrence of a Standard Adjustment Event.

3. COMPLIANCE

The proposed ESOS and the issue of shares to Eligible Employees is in compliance with the Listing Rules of the Colombo Stock Exchange.

4. DIRECTORS’ RECOMMENDATION

The Board of Directors of the Company are of the opinion that the issue of ordinary voting shares pursuant to the ESOS and the Exercise Price for which such shares shall be issued is fair and reasonable to the Company and the existing shareholders of the Company.

5. WAIVER OF PRE-EMPTIVE RIGHTS

Pursuant to section 53 of the Companies Act No.7 of 2007 (as amended) and Article 4(2)(iii) of the Articles of Association, shareholders have pre-emptive rights to any new share issuance. A specific waiver of these rights is sought in respect of shares issued under the ESOS.

**BY ORDER OF THE BOARD OF WINDFORCE PLC
NEXIA CORPORATE CONSULTANTS (PRIVATE) LIMITED**



**Secretaries to WindForce PLC
Colombo
Date: 24th July 2025**

WINDFORCE PLC

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Company will be held on the 21st August 2025 at 10:00 A.M. at WindForce PLC; No.334, T. B. Jayah Mawatha, Colombo 10., to consider, and if deemed fit, to pass the following resolution:

ESTABLISHMENT OF AN EMPLOYEE SHARE OPTION SCHEME (ESOS)

Having considered the Circular to Shareholders dated 24th July 2025 on the establishment of an ESOS

AS SPECIAL RESOLUTION, IT IS HEREBY RESOLVED THAT:

- (a) the ESOS as described in the Circular to Shareholders dated 24th July 2025 be established by the Company, subject to the terms and conditions stated therein.
- (b) the Company shall, issue up to a maximum of forty million five hundred twenty-three thousand sixty-eight (40,523,068) ordinary voting shares equivalent to 3% of the total issued ordinary voting shares of the Company, subject to any Standard Adjustment Event to Eligible Employees under the aforesaid ESOS, in accordance with and subject to the terms and conditions set out in the aforesaid Circular to Shareholders without first offering the said shares to the existing shareholders of the Company at the time of such grant and allotment and that these new ordinary voting shares shall, upon allotment and issuance, rank *pari passu* in all respects with the issued ordinary voting shares of the Company then in issue.
- (c) the pre-emptive rights under Article 4(2)(iii) of the Articles of Association and in accordance with the Section 53 of the Companies Act No. 07 of 2007 be and are hereby waived specifically in respect of shares issued under the ESOS;
- (d) the Board of Directors be authorised to:
 - (i) implement, administer and give effect to the ESOS on terms and conditions set out in the aforesaid Circular to Shareholders.

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- (ii) do or procure to be done all acts, deeds and things, and to take all such decisions, as they may be in their discretion deem fit, necessary, expedient and/or appropriate, and in the best interests of the Company to facilitate the implementation of the ESOS.

The Company affirms that the terms of the Plan will not be varied except under the limited circumstances prescribed under Rule 5.6.6 (a)(ii) of the CSE Listing Rules.

**BY ORDER OF THE BOARD OF WINDFORCE PLC
NEXIA CORPORATE CONSULTANTS (PRIVATE) LIMITED**



**Secretaries to WindForce PLC
Colombo
24th July 2025**

Notes:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint a Proxy to attend and vote instead of him/her. A Proxy need not be a shareholder of the company.
2. A Form of Proxy is enclosed in this Report.
3. Shareholders who are unable to participate in the above meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company; No.334, T. B. Jayah Mawatha, Colombo 10., not later than 48 hours before the time appointed for the meeting.

WINDFORCE PLC

EXTRAORDINARY GENERAL MEETING

FORM OF PROXY

I/We (full name of shareholder and names of joint holder/s, if any)

..... of (address of

main shareholder)being a shareholder/s

of WINDFORCE PLC do hereby appoint:

Mr. R. P. Pathirana or failing him

Mr. A. A. Akbarally or failing him

Mr. K. B. M. I. Perera or failing him

Mr. Huzefa Akbarally or failing him

Mr. V. K. Hirdaramani or failing him

Mr. Hussain Akbarally or failing him

Mrs. Saumya Amarasekara or failing him

Mr. Dilshan Hettiaratchi or failing him

Mr. Savantha De Saram or failing him

Mr. H. M. Udeshi or failing him

Mr. /Mrs./ Ms.of..... (address)

as *my /our Proxy to attend and *vote for me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held on **21st August 2025** and at any adjournment thereof.

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Resolutions	For	Against
<p>AS SPECIAL RESOLUTION, IT IS HEREBY RESOLVED THAT:</p> <p>(a) the ESOS as described in the Circular to Shareholders dated 24th July 2025 be established by the Company, subject to the terms and conditions stated therein.</p> <p>(b) the Company shall, issue up to a maximum of forty million five hundred twenty-three thousand sixty-eight (40,523,068) ordinary voting shares equivalent to 3% of the total issued ordinary voting shares of the Company, subject to any Standard Adjustment Event to Eligible Employees under the aforesaid ESOS, in accordance with and subject to the terms and conditions set out in the aforesaid Circular to Shareholders without first offering the said shares to the existing shareholders of the Company at the time of such grant and allotment and that these new ordinary voting shares shall, upon allotment and issuance, rank pari passu in all respects with the issued ordinary voting shares of the Company then in issue.</p> <p>(c) the pre-emptive rights under Article 4(2)(iii) of the Articles of Association be and are hereby waived specifically in respect of shares issued under the ESOS;</p> <p>(d) the Board of Directors be authorised to:</p> <p>(i) implement, administer and give effect to the ESOS on terms and conditions set out in the aforesaid Circular to Shareholders.</p> <p>(ii) do or procure to be done all acts, deeds and things, and to take all such decisions, as they may be in their discretion deem fit, necessary, expedient and/or appropriate, and in the best interests of the Company to facilitate the implementation of the ESOS.</p>		

Mark your preference with "X"

Signed on this day of 2025.

.....
Signature(s)

Please furnish following details:

CDS Account No of the Shareholder/s	
Number of shares	
Shareholder/s contact numbers/s	Fixed Line: Mobile:
Proxy Holder's NIC number	

Instructions as to completion

1. Kindly complete the Form of proxy with the information requested including the full name and address of the shareholder legibly and signing in the space provided and dating the same.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her.
3. If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed form of proxy, if it has not already been registered with the Company.
4. The Shareholder shall indicate with an "X" in the space provided as to how the proxy is to vote on the resolution. If no indication is given, proxy shall exercise his/her discretion and vote as he/she thinks fit.
5. Shareholders who opt to appoint a proxy shall complete the Form of Proxy and the duly completed Form of Proxy should either be posted/deposited at the registered office at No.334, T. B. Jayah Mawatha, Colombo 10., or scanned and emailed to the email address info@windforce.lk with the subject title **"WINDFORCE PLC EGM PROXY"** to reach us not later than 48 hours prior to the time scheduled for the EGM.