

**CERTIFIED TRUE
COPY**

Managers & Secretaries (Pvt) Ltd


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Company Secretaries

**ARTICLES OF ASSOCIATION
OF
VIDULLANKA PLC ("the Company")**

PRELIMINARY

- I. The 'Model Articles' contained in the First Schedule of the Companies Act, No. 07 of 2007 (hereinafter referred to as the Act) shall not apply to the Company, notwithstanding anything to the contrary, in the event of there being any conflict in the provisions of law as set out in the Companies Act aforesaid or in the event of these Articles being silent any manner, the provisions of any in the said Companies Act in relation thereto shall apply to the Company. In the construction of these articles words importing the masculine gender only shall include the feminine gender and words importing the singular number only shall include the plural number and vice versa.
- II. The registered Office of the Company will be situated in the District of Colombo.
- III. The Company incorporates herewith the provisions of subsection (2) (a) of Section 2 of the Companies Act No. 07 of 2007.

LIMITED COMPANY

The Company is a PUBLIC LIMITED COMPANY within the meaning of PART I Article 3 (1) (a) and Section 6 (c) of the Act and accordingly the Company shall have a minimum of two directors and shall not limit the number of its shareholders.

Special Resolution passed on 26th September 2024

Notwithstanding anything to the contrary contained in the Articles, so long as the Company is listed on the Colombo Stock Exchange, the Company shall comply with provisions of the Securities and Exchange Commission Act, the Rules of the Colombo Stock Exchange and the Central Depository System which shall come into force from time to time.

A. SHARES

1 Issue of shares

- 1.1. Subject to articles 1.2 and 1.3, of these articles, the board may issue such shares to such persons as it thinks fit in accordance with section 51 of the Act. Where the shares confer rights other than those specified in subsection (2) of section 49 of the Act, or impose any obligation on the holder, the board must approve the terms of issue which set out the rights and obligations attached to the shares as required by subsection (2) of section 51.

- 1.2. Before it issues shares, the board must decide the consideration for which the shares will be issued. The consideration must be fair and reasonable to the company and to all existing shareholders.

Special Resolution passed on 26th September 2024

- 1.3. Where the company issues shares which rank equally with or above to existing shares, those shares must be offered to the holders of the existing shares in a manner which would, if accepted, maintain the relative voting and distribution rights of those shareholders. The offer must remain open for acceptance for a reasonable time.

Special Resolution passed on 1st March 2016

- (a) The Board may issue shares to persons other than existing shareholders by way of Share Swap and Private Placement or any other means
- (b) The provisions of paragraph 1.3 of this Article shall not apply to an issue of shares under paragraph 1.3 (a) of this Article.
- 1.4. The Company may by special resolution, consolidate or subdivide all or any of its shares in issue in such proportion as it may seem fit, in a manner which would leave the relative voting and distribution rights of all shareholders substantially unaffected. The consolidation or division shall take effect on such day as may be determined in the said resolution or by the Board.

2 Calls on shares

- 2.1. Where a share imposes any obligation on the holder to pay an amount of money
- (a) on a fixed date, the holder must pay that amount on that date;
 - (b) when called on to do so by the board, the board may at any time give written notice to the holder requiring the payment to be made within a specified period of not less than twenty working days, and the payment must be made in accordance with that notice.
- 2.2. Joint holders of a share are jointly and severally liable for any payments to be made under paragraph 2.1 of this article.
- 2.3. The company has a lien on every share to which paragraph (a) of article 2.1 applies, and on every distribution payable in respect of that share, for all amounts presently due and payable to the company in respect of that share.
- 2.4. The company may sell in such manner as the board thinks fit, any shares on which the company has a lien, if—
- (a) the company has given written notice of its intention to do so to the shareholder; and
 - (b) the shareholder has failed to make the payment in respect of which the lien has arisen, within ten working days of the giving of that notice.

The transfer may be signed on behalf of the purchaser by any person appointed to do so by the board, and the purchaser shall be registered as the holder of the shares transferred and his title shall not be affected by any irregularity or invalidity in the sale.

- 2.5. The proceeds of a sale under paragraph 2.4 of this article shall be received by the company and applied first in payment of the costs of sale, and then in payment of the amount in respect of which the lien arose. The remainder shall be paid to the person entitled to the shares, at the time of the sale.

3 Distributions

- 3.1. The company may make distributions to shareholders in accordance with section 56 of the Act. Subject to paragraph 3.2 of this article, every dividend must be approved by the board and by an ordinary resolution of the shareholders. The board must be satisfied that the company will immediately after the distribution, satisfy the solvency test. The directors who vote in favour of the distribution must sign a certificate of their opinion to that effect.
- 3.2. The board may from time to time approve the payment of an interim dividend to shareholders, where that appears to be justified by the company's profits, without the need for approval by an ordinary resolution of the shareholders. The board must be satisfied that the company will, immediately after the interim dividend is paid, satisfy the solvency test. The directors who vote in favour of the interim dividend must sign a certificate of their opinion to that effect.
- 3.3. The company is deemed to have satisfied the solvency test if—
- (a) it is able to pay its debts as they fall due in the normal course of business; and
 - (b) the value of its assets is greater than the sum of the value of its liabilities and its stated capital.

4 Share register, share certificates and transfer and transmission of shares

- 4.1. The company must maintain a share register, which complies with section 123 of the Act. The share register must be kept at the registered office of the company or at any other place in Sri Lanka, notice of which has been given to the Registrar in accordance with subsection (4) of section 124 of the Act.
- 4.2. Where shares are to be transferred, a form of transfer signed by the holder or by his legal representative shall be delivered to the company. The transfer must be signed by the transferee if the share imposes any liability on its holder.
- 4.3. The board may resolve to refuse to register a transfer of a share within six weeks of receipt of the transfer, if any amount payable to the company in respect of the share is due but unpaid. If the board resolves to refuse to register a transfer for this reason, it must give notice of the refusal to the shareholder within one week of the date of the resolution.
- 4.4. Where a joint holder of a share dies, the remaining holders shall be treated by the company as the holders of that share. Where the sole holder of a share dies, that shareholder's legal representative shall be the only person recognized by the company as having any title to or interest in the share.
- 4.5. Any person who becomes entitled to a share as a consequence of the death, bankruptcy or insolvency or incapacity of a shareholder may be registered as the holder of that shareholder's shares upon making a request in writing to the company to be so registered, accompanied by proof satisfactory to the board of that entitlement. The board may refuse to register a transfer under this article in the circumstances set out in paragraph 4.3 of this article.
- 4.6. Where the company issues shares or the transfer of any shares is entered on the share register, the company must, within the stipulated time, directly upload such shares to the respective CDS account in terms of the regulations of the Securities and Exchange Commission and as per the Listing Rules of the Colombo Stock Exchange., provided that the Company shall not register more than three persons as Joint Holders, including the Principal Holder of any shares (except in the case of Executors, Administrators or Heirs of a deceased member).

B. MEETINGS OF SHAREHOLDERS

5 Rules relating to meetings of shareholders

A meeting of shareholders may determine its own procedure, to the extent that it is not governed by these articles.

6 Notice of meetings

Written notice of the time and place of a meeting of shareholders must be given to every shareholder entitled to receive notice of the meeting and to every director and the auditor of the company—

- (a) not less than fifteen working days before the meeting, the company being a Public Listed Company, and it is intended to propose a resolution as a special resolution at the meeting;
- (b) not less than ten working days before the meeting, in any other case.

The notice must set out -

- (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it; and
- (b) the text of any resolution to be submitted to the meeting.

An irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such shareholders agree to the waiver.

If a meeting of shareholders is adjourned for less than thirty days, it is not necessary to give notice of the time and place of the adjourned meeting, other than by announcement at the meeting, which is adjourned.

7 Methods of holding meetings

A meeting of shareholders may be held either—

- 7.1. by a number of shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
- 7.2. by means of audio, or audio and visual communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

8 Quorum

- 8.1. Subject to paragraph 8.3 of this article, no business may be transacted at a meeting of shareholders if a quorum is not present: save as herein otherwise provided ten members present in person or by proxy shall be a quorum.
- 8.2. A quorum for a meeting of shareholders is present if the shareholders or their proxies are present who are between them able to exercise a majority of the votes to be cast on the business to be transacted by the meeting.
- 8.3. If a quorum is not present within thirty minutes after the time appointed for the meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the directors may appoint. If at the adjourned meeting, a quorum is not present within thirty minutes after the time appointed for the meeting, the shareholders present or their proxies shall be deemed to form a quorum.

9 Chairperson

- 9.1. If the directors have elected a chairperson of the board, and the chairperson of the board is present at a meeting of shareholders, he or she must chair the meeting.
- 9.2. If no chairperson of the board has been elected or if at any meeting of shareholders the chairperson of the board is not present within fifteen minutes of the time appointed for the commencement of the meeting, the shareholders present may choose one of their number to be chairperson of the meeting.

10 Voting

- 10.1. In the case of a meeting of shareholders held under paragraph 7.1 of the article, unless a poll is demanded, voting at the meeting shall be by whichever of the following methods as determined by the chairperson of the meeting-
 - (a) voting by voice; or
 - (b) voting by show of hands.
- 10.2. In the case of a meeting of shareholders held under paragraph 7.2 of the article, unless a poll is demanded, voting at the meeting shall be by shareholders signifying individually their assent or dissent by voice.
- 10.3. A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact, unless a poll is demanded in accordance with paragraph 10.4 of this article.
- 10.4. At a meeting of shareholders, a poll may be demanded by -
 - (a) not less than two shareholders having the right to vote at the meeting; or
 - (b) a shareholder or shareholders representing not less than ten *per centum* of the total voting rights of all shareholders having the right to vote at the meeting.
- 10.5. A poll may be demanded either before or after the vote is taken on a resolution.
- 10.6. If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present and voting.
- 10.7. The chairperson of a shareholders' meeting is not entitled to a casting vote.

11 Proxies

- 11.1. A shareholder may exercise the right to vote either by being present in person or by proxy.
- 11.2. A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.
- 11.3. A proxy must be appointed by notice in writing signed by the shareholder. The notice must state whether the appointment is for a particular meeting, or for a specified term.

Special Resolution passed on 26th September 2024

- 11.4. No proxy is effective in relation to a meeting, unless a copy of the notice of appointment is given to the company not less than Forty Eight hours before the start of the meeting.

12 Minutes

- 12.1. The board must ensure that minutes are kept of all proceedings at meetings of shareholders.
- 12.2 Minutes which have been signed correct by the chairperson of the meeting are *prima facie* evidence of the proceedings.

13 Shareholder proposals

Shareholders entitled to do so may give notice of the resolution to the company in accordance with section 142 of the Act and it shall be the duty of the company to give notice of the resolution or circulate the statement, or both, as the case may be, in accordance with section 142. The company is not required to give notice of a resolution or circulate a statement in the circumstances set out in subsections (4) or (5) of section 142.

14 Corporations may act by representatives

A body corporate, which is a shareholder may appoint a representative to attend a meeting of shareholders on its behalf in the same manner as it could appoint a proxy.

15 Votes of joint holders

Where two or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter, shall be accepted to the exclusion of the votes of the other joint holders.

16 Loss of voting right if calls unpaid

If a sum due to a company in respect of a share has not been paid, that share may not be voted at a shareholders' meeting other than a meeting of an interest group.

17 Annual general meetings and extraordinary general meetings of shareholders

- 17.1. Subject to paragraphs 17.2 and 17.3 of this article, the board must call an annual meeting of the company to be held—

- (a) once in each calendar year;
- (b) not later than six months after the balance sheet date of the company; and
- (c) not later than fifteen months after the previous annual meeting.

The meeting must be held on the date on which it is called to be held.

- 17.2. The company need not hold its first annual meeting in the calendar year of its incorporation, but must hold that meeting within eighteen months of its incorporation.
- 17.3. An extraordinary meeting of shareholders entitled to vote on an issue may be called at any time by the board, and must be called by the board on the written request of shareholders holding shares, carrying not less than ten per centum of votes which may be cast on that issue.
- 17.4. A resolution in writing signed by not less than eighty-five per centum of the shareholders entitled to vote on the resolution at a meeting of shareholders, who together hold not less than eighty-five per centum of the votes entitled to be cast on that resolution, is as valid as if it had been passed at a meeting of those shareholders. The company needs not hold an annual meeting if everything required to be done at the meeting (by resolution of otherwise) is done by resolution and is in accordance with this clause.

- 17.5. Within five working days of a resolution being passed under paragraph 17.4 of this article, the company must send a copy of the resolution to every shareholders who did not sign it.
- 17.6. A resolution may be passed under paragraph 17.4 of this article without any prior notice being given to shareholders.

18 Voting in interest groups

Where the company proposes to take action, which affects the rights attached to shares within the meaning of section 99 of the Act, the action may not be taken unless it is approved by a special resolution of each interest group, as defined in the Act.

19 Shareholders entitled to receive distributions, exercise preemptive rights, and attend and vote at meetings

- 19.1. The shareholders who are entitled to receive notice of a meeting of shareholders for any purpose shall be
- (a) if the board fixes a date for the purpose, those shareholders whose names are registered in the share register on that date;
 - (b) if the board does not fix a date for the purpose, those shareholders whose names are registered in the share register at the close of business on the day immediately preceding the day on which the notice is given.
- 19.2. A date fixed under paragraph 19.1 of this article should not proceed by more than thirty working days, the date on which the meeting is to be held.
- 19.3. Before a meeting of shareholders, the company may prepare a list of shareholders entitled to receive notice of the meeting arranged in alphabetical order, and showing the number of shares held by each shareholder—
- (a) if a date has been fixed under paragraph 19.1 of this article, not later than ten working days after that date; or
 - (b) if no such date has been fixed, at the close of business on the day immediately preceding the date on which the notice is given.
- 19.4. A person named in a list prepared under paragraph 19.3 of this article is entitled to attend the meeting and vote in respect of the shares shown opposite his name in person or by proxy, except to the extent that—
- (a) that person has, since the date on which the shareholders entitled to receive notice of the meeting were determined, transferred any of his shares to some other person; and
 - (b) the transferee of those shares has been registered as the holder of those shares, and has requested before the commencement of the meeting that his or her name be entered on the list prepared under paragraph 19.3 of this article.
- 19.5. A shareholder may examine a list prepared under paragraph 19.3 of this article during normal business hours, at the registered office of the company.

C. DIRECTORS AND SECRETARY

Special Resolution passed on 10th August 2023

20. Appointment, Retirement, Removal and Vacation of Office of Directors

20.1 The Directors of the Company shall not be less than Two (02) nor more than thirteen (13) in number.

Special Resolution passed on 26th September 2024

20.2 The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with 20.1 above. Any director so appointed shall hold office only until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.

20.3 A director may resign by delivering a signed written notice of resignation to the registered office of the company. Subject to section 208 of the Act, the notice is effective when it is received at the registered office or at any later time specified in the notice.

20.4 A director vacates office if he—

- (a) resigns in accordance with paragraph 20.3 of this article;
- (b) is removed from office in accordance with the provisions of the Act or these articles;
- (c) becomes disqualified from being a director pursuant to section 202 of the Act;
- (d) dies; or
- (e) vacates office pursuant to subsection (2) of section 210 of the Act, on the ground of his age.

Special Resolution passed on 10th August 2023

20.5. At each Annual General Meeting one-third of the Directors for the time being, subject to retirement or if their number is not a multiple of three, the number nearest to (but not greater than) one-third shall retire from office. A Director retiring at a meeting shall retain office until the closure of the meeting including any adjournment thereof.

The Directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their last election or appointment, but as between persons who became or were last re-elected Directors on the same day the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-appointment.

The Chairman and Executive Directors shall not whilst holding that office be subject to retirement by rotation or to be taken into account in determine the rotation of Directors.

21 Powers and duties of directors

21.1 Subject to section 185 of the Act, which relates to major transactions, the business and affairs of the company shall be managed by or under the direction or supervision of the board. The board shall have all the powers necessary for managing and for directing and supervising the management of the business and affairs of the company.

21.2 The board may delegate to a committee of directors or to a director or employee any of its' powers which it is permitted to delegate under section 186 of the Act.

21.3 The directors have the duties set out in the Act, and in particular—

- (a) each director must act in good faith and in what he believes to be the best interest of the company;
- (b) no director shall act or agree to the company to Act, in a manner that contravenes any provisions of the Act or these articles.

22 Alternate Directors

22.1 Any director may at any time by notice in writing left at the office, appoint any person to be approved by the Board to be an Alternate Director of the Company to act in his place and the following provisions of this Article shall apply to any person so appointed.

22.2 A person appointed to be an Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company nor be required to hold any share qualification but the Board may repay an Alternate Director, who is not a Director in his own right such reasonable expenses as he may incur in or about the business of the Company or may pay such allowances as they may think proper in respect of these expenses.

22.3 An Alternate Director shall (on his giving an address for such notice to be served upon him) be entitled to receive notices of all meetings of the Board and to attend and vote as director at any such meeting at which the Director in whose place he is appointed to act is not personally present and generally to perform all the functions as a Director in the absence of such appointer,

Special Resolution passed on 26th September 2024

22.4 An Alternate Director shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment, but he shall ipso facto cease to be an Alternate Director in any of the following events that is to say;

- (a) if his appointment ceases for any reason to be a director; Provided that if any director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;
- (b) if the Alternate Director shall have a receiving order made against him or compounds with his creditors or is adjudicated an insolvent;
- (c) If the Alternate Director be a lunatic or become of unsound mind.
- (d) If the appointment of the Alternate Director is revoked by his appointer or by a notice in writing left at the office.
- (e) If the Board resolves that the appointment of the Alternate Director be terminated; Provided that such termination shall not take effect until the expiration of thirty days after the date of the resolution of the Board.

1) If an Alternate Director is appointed for a Non-Executive Director such Alternate Director should not be an Executive of the Listed Entity.

2) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of Independence.

22.5 A Director shall not vote on the question of the approval of an Alternate Director to act for him or on the question of the termination of the appointment of such an Alternate Director and if he does so, his vote shall not be counted; nor for the purpose of any resolution for either of these purposes shall be counted in the quorum present at the meeting.

23 Interested directors

23.1 A director who is interested in a transaction to which the company is a party must disclose that interest in accordance with section 192 of the Act.

23.2 Subject to paragraph 23.3 of this article, a director of a company is interested in a transaction to which the company is a party, if, and only if, the director—

- (a) is a party to or will or may derive a material financial benefit from the transaction;
- (b) has a material financial interest in another party to the transaction;
- (c) is a director, officer or trustee of another party to, or person who will or may derive a material financial benefit from the transaction, not being a party or person that is—
 - (i) the company's holding company, being a holding company of which the company is a wholly-owned subsidiary;
 - (ii) a wholly-owned subsidiary of the company; or
 - (iii) a wholly-owned subsidiary of a holding company of which the company is also a wholly-owned subsidiary;
- (d) is the parent, child or spouse of another party to or person who will or may derive a material financial benefit from the transaction; or
- (e) is otherwise directly or indirectly materially interested in the transaction.

23.3 A director of a company is not interested in a transaction to which the company is a party, if the transaction comprises only the giving by the company of security to a third party which has no connection with the director, at the request of the third party, in respect of a debt or obligation of the company for which the director or another person has personally assumed responsibility in whole or in part, under a guarantee, indemnity or by the deposit of a security.

23.4 Paragraph 23.2 of this article does not apply to any remuneration or other benefit given to a director in accordance with section 216 of the Act, or, to any insurance or indemnity provided in accordance with section 218 of the Act.

23.5 A director of a company who is interested in a transaction entered into or to be entered into by the company, may—

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purpose of a quorum;
- (c) sign a document relating to the transaction on behalf of the company; and
- (d) do any other thing in his capacity as a director in relation to the transaction, as if he were not interested in the transaction.

23.6 A director of a company who has information in his capacity as a director or employee of the company which would not otherwise be available to him, must not disclose that information to any person or make use of or act on the information, except—

- (a) for the purposes of the company;
- (b) as required by law; or
- (c) in accordance with paragraph 23.7 of this article.

23.7 A director of a company may disclose, make use of or act on information if—

- (a) the director is first authorized to do so by the board under paragraph 23.8 of this article; and
- (b) particulars of the authorization are entered in the interests register.

23.8 The board may authorize a director to disclose, make use of or act on information, if it is satisfied that to do so will not be likely to prejudice the company.

- 23.9 A director must disclose all dealings in shares of the company in which he has a relevant interest, in accordance with sections 198, 199 and 200 of the Act.

24 Procedure at meetings of directors

- 24.1 Articles 25 to 31 sets out the procedure to be followed at meetings of directors.
- 24.2 A meeting of directors may determine its own procedure, to the extent that it is not governed by these articles.

25 Chairperson

- 25.1 The directors may elect one of their number to be the chairperson of the board and may determine the period for which the chairperson is to hold office.
- 25.2 If no chairperson is elected or if at a meeting of the board the chairperson is not present within five minutes after the time appointed for the commencement of the meeting, the directors present may choose one of their number to be chairperson of the meeting.

26 Notice of meeting

- 26.1 A director, the secretary or if requested by a director to do so, an employee of the company, may convene a meeting of the board by giving notice in accordance with this article.
- 26.2 Not less than twenty-four hours' notice of a meeting of the board must be given to every director who is in Sri Lanka.
- 26.3 An irregularity in the notice of a meeting is waived if all directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all directors entitled to receive notice of the meeting agree to the waiver.

27 Methods of holding meetings

A meeting of the board may be held either—

- (a) by a number of the directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of audio or audio and visual communication by which all directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

28 Quorum

- 28.1 The quorum necessary for the transaction of the business of the Board should be six (06).
- 28.2 No business may be transacted at a meeting of directors if a quorum is not present.

29 Voting

- 29.1 Every director has one vote.
- 29.2 The chairperson has a casting vote.

29.3 A resolution of the board is passed if it is agreed to by all directors present without dissent or if a majority of the votes cast on it are in favour of it.

29.4 A director present at a meeting of the board is presumed to have agreed to and to have voted in favour of a resolution of the board, unless he or she expressly dissents from or votes against the resolution at the meeting.

30 Minutes

The board must ensure that minutes are kept of all proceedings at meetings of the board.

31 Unanimous resolution

Special Resolution passed on 10th August 2023

31.1 A resolution in writing signed or assented to by majority of the directors entitled to receive notice of a board meeting, is as valid and effective as if it had been passed at a meeting of the board duly convened and held.

31.2 Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form, each signed or assented to by one or more directors.

31.3 A copy of any such resolution must be entered in the minute book of board proceedings.

32 Managing director and other executive directors

32.1 The board may from time to time appoint a director as managing director for such period and on such terms as it thinks fit.

32.2 Subject to the terms of a managing director's appointment, the board may at any time cancel an appointment of a director as managing director.

32.3 A director who holds office as managing director ceases to hold office as managing director, if he ceases to be a director of the company.

32.4 The managing director shall be paid such remuneration as may be agreed between him and the board. His remuneration may be by way of salary, commission, participation in profits or any combination of these methods or any other method of fixing remuneration.

32.5 The board may delegate to the managing director, subject to any conditions or restrictions, which they consider appropriate, any of their powers which can be lawfully delegated. Any such delegation may at any time be withdrawn or varied by the board. The delegation of a power of the board to the managing director does not prevent the exercise of the power by the board, unless the terms of the delegation expressly provide otherwise.

32.6 A director other than the managing director who is employed by the company shall be paid such remuneration as may be agreed to between him and the board. His remuneration may be by way of salary, commission, participation in profits or any combination of these methods or any other method of fixing remuneration.

33 Secretary

33.1 The company must at all times have a secretary.

33.2 The board may appoint the secretary for such term and on such conditions as it thinks fit. The remuneration of the secretary shall be agreed to by the board and the secretary.

33.3 The board may remove the secretary.

33.4 The secretary may not be—

- (a) the sole director of the company; or
- (b) a corporation, the sole director of which is the sole director of the company.

33.5 Where the Act or these articles require something to be done by a director and the secretary, it is not satisfied by the same person doing that thing acting in both capacities.

34 Attorney

The Company may, from time to time, appoint any person as its attorney for such purposes and with such powers, authorities and discretions and for such periods and subject to such conditions as the Company may from time to time think fit.

35 Method of Contracting

The Company may enter into contracts or other enforceable obligations in accordance with the provisions set out in section 19 of the Act.

36 Seal

The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorized by the Directors in that behalf. The seal of the Company shall not be affixed to any deed, certificate for shares, stock, debenture-stock or other form of security (other than Letters of Allotment or Scrip Certificates) or other instrument except in the presence of two or more of the Directors or of one Director and the Agent and /or Company Secretary of the Company, who shall attest the sealing thereof; such attestation on the part of the agent and/or Company secretary in the event of a firm being the Agents and/or Company Secretaries being signified by a partner or duly authorized agent of the said firm signing the firm name or for and on behalf of the said firm as such Agents and /or secretaries and in the event of a company being the agent and/ or Company Secretary being signified by a Director or the Company Secretary or the duly authorized agent of such company signing for and on behalf of such company as agent and/or Company Secretary. The sealing shall not be attested by any one person in the dual capacity of Director and representative of the agent and/or Company Secretary. Any document sealed in accordance with the provisions of this Article shall be presumed to have been duly executed by the Company.

D. ACCOUNTS AND AUDIT

37 Accounting records, financial statements, audit etc.

37.1 The board must ensure that the company keeps accounting records which —

- (a) correctly record and explain the company's transactions;
- (b) will at any time enable the financial position of the company to be determined with reasonable accuracy;
- (c) will enable the board to prepare financial statements in accordance with the Act; and
- (d) will enable the financial statements of the company to be readily and properly audited.

37.2 The accounting records must comply with subsection (2) of section 148 of the Act.

37.3 The board shall ensure that within five months after the balance sheet date of the company, financial statements which comply with section 151 of the Act (and if applicable, group financial statements which comply with section 153 of the Act) are completed in relation to that balance sheet date and are dated and signed on behalf of the board by two directors or if the company has only one director, by that director.

37.4 At every annual meeting, the company must appoint an auditor for the following year in accordance with section 154 of the Act. An auditor who is appointed at an annual meeting is deemed to be reappointed at the following annual meeting, unless—

- (a) he is not qualified for re-appointment;
- (b) the company resolves at that meeting to appoint another person in his place; or
- (c) the auditor has given notice to the company that he does not wish to be re-appointed.

37.5 The board must within five months after the balance sheet date of the company, prepare an annual report on the affairs of the company during the accounting period ending on that date which complies with section 166 of the Act. The board must send a copy of the annual report to every shareholder not less than twenty working days before the date fixed for holding the annual meeting of shareholders.

E. LIQUIDATION AND REMOVAL FROM THE REGISTER

38 Resolution to appoint liquidator

The shareholders may resolve to wind up the company voluntarily by special resolution.

39 Distribution of surplus assets

39.1 The surplus assets of the company available for distribution to shareholders after all creditors of the company have been paid, shall be distributed in proportion to the number of shares held by each shareholder, subject to the terms of issue of any shares.

39.2 The liquidator may with the approval of a special resolution, divide the surplus assets of the company among the shareholders in kind. For this purpose he may set such value as he considers fair on any property to be divided, and may determine how the division will be carried out as between the shareholders or different classes of shareholders.

F. MISCELLANEOUS

40 Documents to be kept by company

40.1 The company must keep at its registered office or at some other place notice of which has been given to the Registrar in accordance with subsection (4) of section 116 of the Act, the following documents:—

- (a) the certificate of incorporation and the articles of the company;
- (b) minutes of all meetings and resolutions of shareholders within the last ten years;
- (c) an interests register, unless it is a private company which has dispensed with the need to keep such a register;
- (d) minutes of all meetings and resolutions of directors and directors' committees within the last ten years;
- (e) certificates given by directors under the Act within the last ten years;
- (f) the register of directors and secretaries required to be kept under section 223 of the Act;
- (g) copies of all written communication to all shareholders or all holders of the same class of

- (h) shares during the last ten years, including annual reports prepared under Paragraph 37.5;
- (h) copies of all financial statements and group financial statements required to be completed under the Act for the last ten completed accounting periods of the company;
- (i) the copies of instruments creating or evidencing charges and the register of charges required to be kept under sections 109 and 110 of the Act;
- (j) the share register required to be kept under section 123 of the Act; and
- (k) the accounting records required by section 148 of the Act for the current accounting period and for the last ten completed accounting periods of the company.

40.2 The references in paragraph 40.1 of this article to "ten years" and to "ten completed accounting periods" shall include such lesser periods as the Registrar may approve, by notice in writing to the company.

41 Rights of directors and shareholders to documents etc.

41.1 The directors of the company are entitled to have access to the company's records in accordance with section 118 of the Act.

41.2 A shareholder of the company is entitled—

- (a) to inspect the documents referred to in section 119 of the Act, in the manner specified in section 121 of the Act; and
- (c) to require copies of or extracts from any document which he may inspect, within five working days of making a request in writing for the copy or extract, on payment of any reasonable copying and administration fee determined by the company. The fee may be determined by any director or by the secretary, subject to any directions from the board.

42 Name of company

The company may change its name by special resolution in accordance with section 8 of the Act.

43 Notices

43.1 Where the company is required to send any document to a shareholder or to give notice of any matter to a shareholder, it shall be sufficient for the company to send the document or notice to the registered address of the shareholder by ordinary post. Any document or notice so sent is deemed to have been received by the shareholder within three working days of the posting of a properly addressed and prepaid letter containing the document or notice.

43.2 A shareholder whose registered address is outside Sri Lanka may give notice to the company of an address in Sri Lanka to which all documents and notices are to be sent, and the company shall treat that address as the registered address of the shareholder for all purposes.

43.3 A document may be sent or notice given by the company to the joint holders of a share, by giving the notice to the holder first named on the share register in respect of the share.

43.4 Where a shareholder has died or has become bankrupt or insolvent, the company may continue to send all notices and documents in respect of his shares addressed to him at his registered address, notwithstanding that some other person has by reason of the death, bankruptcy or insolvency, become entitled to those shares, or may send any notice or document to an address to which that other person requests the company to send such notices.

43.5 A copy of every notice or document sent to all shareholders must be sent to the auditor of the company.

44 Insurance and indemnity

- 44.1 The company shall indemnify every director, auditor and secretary of the company for the time being against any costs incurred in the course of defending any proceeding that relates to any act or omission in his capacity as director, auditor or secretary, in which judgment is given in his favour or in which, he is acquitted or which is discontinued.
- 44.2 The company may indemnify a director or employee in circumstances where paragraph 44.1 does not apply, to the extent permitted by subsection (3) of section 218 of the Act, if the board considers it appropriate to do so.

45 Interpretation

In these articles "the Act" means the Companies Act, No. 07 of 2007, and terms, which are defined in the Act, shall have the same meaning in these articles.

46 Secrecy

Every Director, Manager, Auditor, Trustee, Secretary, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in the matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except so far as may be necessary in order to comply with the statutes or any of the provisions in these Presents contained.