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DGA

LOLC CORPORATE SERVICES (PVT) LTD - PV97781
SEC/ (2) 2014/ 334
Secretaries

ARTICLES OF ASSOCIATION

OF

L O L C FINANCE PLC

PRELIMINARY

1. The Rules contained in the First Schedule to the Companies Act No.7 of 2007 shall not apply to the Company which shall be governed by the regulations contained in these Articles but subject to repeal alteration or addition by Special Resolution
2. In these presents, if not inconsistent with the subject or context the words standing in the first column of the table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof:

Interpretation

WORDS

MEANINGS

The Company	:	L O L C Finance PLC
The Statutes or the Act	:	The Companies Act No. 7 of 2007 and every other Act for the time being in force concerning companies and affecting the Company.
These Presents	:	These Article of Association from time to time altered by special resolution;
Special Resolution		Have the meanings
Extraordinary Resolution		Assigned respectively by the statutes;

The Board	:	The Directors for the time being of the Company including (where the context so admits or requires) Alternate Directors;
Office	:	The Registered Office of the Company;
Seal	:	The Common Seal of the Company;
Month	:	Calendar Month;
Year	:	Calendar Year;
In Writing	:	Written or produced by any substitute for writing, or partly one and partly another;
Paid up	:	Paid up or credited as paid up.

The expressions “debenture” and “debenture holder” shall include “debenture stock” and “debenture stockholder” and the expressions the “Secretary” or the “Secretaries” shall include any individual firm or company appointed by the Board to perform any of the duties of the Secretary.

Words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include corporations and companies.

Save as aforesaid any words or expressions defined in the statutes shall, if not inconsistent with the subject or context, bear the same meanings in these presents.

The marginal notes are inserted for convenience only and shall not affect the construction of these presents.

OBJECTS

3.
 - a) To carry out finance business in conformity with the provisions of the Finance Business Act No. 42 of 2011 as amended from time to time and in conformity with the provisions of any other law relating to finance companies including all Regulations, Directions, Determinations, Rules, Orders or requirements made, given or imposed thereunder.
 - b) To carry out finance leasing business in conformity with the provisions of the Finance Leasing Act No. 56 of 2000 as amended from time to time and in conformity with the provisions of any other law relating to finance leasing establishments including all Regulations, Directions, Determinations, Rules, Orders or requirements made, given or imposed thereunder.

*Amended on
19th September 2019*

4. To carry on business of a financial acquirer in terms of the law applicable for the time being.

*Amended on
19th September 2019*

- 5 Subject to Clauses 3 and 4 hereof, the aforesaid objects shall not limit or restrict any of the capacity or the powers that the Company may exercise in accordance with section 2 (2) of the Act.

SHARES

ISSUE OF SHARES

6. a) Subject to Articles 7 and 8, 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 terms of issue which set out the rights and obligations attached to the shares as required by subsection (2) of section 51.
- b) The Board may issue warrants which may be converted to shares at a future date. Such warrants may also be offered to those who are not existing shareholders if so approved by a Special Resolution of the Company.
7. 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.
8. Where the company issues shares which rank equally with or prior 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. However, the Company by Special Resolution may authorize the board to issue such shares to those who are not existing shareholders.
9. All new shares shall be subject to the provisions of these articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Issue of Shares

CALLS ON SHARES

10. 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. Any amount not paid by the due date shall carry interest at a rate fixed by the board

Calls

not exceeding ten per cent per annum, accruing daily. The board may waive payment of interest.

11. Joint holders of a share are jointly and severally liable for any payments to be made under Article 10 of these Articles.
12. The company has a lien on every share to which paragraph (a) of Article 10 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.
13. 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.

14. The proceeds of a sale under Article 13 of these Articles 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.
15. The company may grant financial assistance for the purchase of its shares in compliance with the provisions of section 70 of the Statutes.

*Financial
assistance for
purchase of
shares*

INCREASE AND REDUCTION OF CAPITAL

16. The Company may
 - (a) by special resolution and in compliance with section 59 of the statutes reduce its stated capital to an amount it thinks appropriate.
 - (b) agree to purchase or otherwise acquire its own shares in compliance with section 64 and 67 of the statutes.
 - (c) issue redeemable shares and redeem the same in accordance with section 66, 68 and 69 of the statutes.
17. The Company may by ordinary resolution:-
 - (a) Consolidate , divide and split all or any of its shares with the objective of reducing or increasing the number of issued shares.
 - (b) Sub-divide and split its shares with the objective of increasing the number of issued shares (subject nevertheless to the provisions of the statutes) and so that the resolution whereby any share is sub-divided

*Reduction of
Capital*

*Purchase of
own shares*

*Redeemable
shares*

*Power to
consolidate
Shares*

*Power to cancel
shares.*

may determine that, as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to un-issued or new shares:

*Power to
sub-divide
shares.*

and may by special resolution -

- (c) reduce any capital redemption reserve fund or any share premium account, in any manner authorized by the statutes.

RENUNCIATION

- 18. Nothing in these articles shall preclude the Board from recognizing and acting on a renunciation of the allotment of any share by the allottee thereof in favour of any other person.

*Renunciation of
allotment.*

DISTRIBUTIONS

- 19. The company may make distributions to shareholders in accordance with section 56 of the Act. Subject to Article 20 of these articles, 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.
- 20. 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.
- 21. 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.

Distributions

Solvency test

SHARE REGISTER, SHARE CERTIFICATES AND TRANSFER AND TRANSMISSION OF SHARES

- 22. 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.
- 23. a) Where shares are to be transferred, a form of transfer signed by the

Share Register

holder or by his legal representative and the transferee shall be delivered to the company.

- b) Notwithstanding any provision in these Articles suggesting the contrary, shares listed on the Colombo Stock Exchange shall be freely transferable and registration of the transfer of such listed shares shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.

*Transfer and
registration of
shares*

24. 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.

25. a) 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 recognised by the company as having any title to or interest in the share.

- b) 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)

*Joint
Shareholding*

26. 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 Article 24 of these Articles.

27. a) Where the company issues shares or the transfer of any shares is entered on the share register, the company must within two months complete and have ready for delivery a share certificate in respect of the shares.

*Issue of Share
certificates*

- b) Every person whose name is entered as a Shareholder in the Register of Shareholders shall be entitled without payment to receive within two months after allotment or lodgment of a valid transfer (or within such other period as the terms of issue shall provide) one certificate for all his shares of any one class or upon payment for every certificate after the first, of such sum as the Directors shall from time to time determine, several certificates for one or more shares of any one class. Where a Shareholder transfers part only of the shares comprised in a certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge. Every certificate shall be issued under the Seal of the Company and bear the signatures of two Directors or of at least of one Director and the Secretary and shall specify the number of shares to which it relates and in the case of a share held jointly by several persons, the company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of such persons or his duly authorized representative shall be sufficient delivery to all.

Certificates.

MEETINGS OF SHAREHOLDERS

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

NOTICE OF MEETINGS

29. 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— *Notice*
- (a) not less than fifteen working days before the meeting, if the meeting is an Annual General Meeting or if 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.
30. 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.
31. The accidental omission to give notice to or the non-receipt of notice by, any person entitled thereto shall not invalidate the proceedings at any General Meeting. *Omission of Non-receipt of Notice.*
32. 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.

METHODS OF HOLDING MEETINGS

33. A meeting of shareholders may be held either—
- (a) by a number of shareholders 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 shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

QUORUM

34. Subject to Article 36 of these Articles, no business may be transacted at a meeting of shareholders if a quorum is not present.
35. The 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 *Quorum*

the votes to be cast on the business to be transacted by the meeting.

36. 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.
- Adjournment if
Quorum not
present.*

CHAIRMAN

37. If the directors have elected a Chairman of the board, and the Chairman of the board is present at a meeting of shareholders, he or she must chair the meeting.
- Amended on
19th September 2019
Chairman
Amended on
19th September 2019*
38. If no Chairman of the board has been elected or if at any meeting of shareholders the Chairman 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 Chairman of the meeting.
- Amended on
19th September 2019*

VOTING

39. In the case of a meeting of shareholders held under paragraph (a) of Article 33, unless a poll is demanded, voting at the meeting shall be by voting by voice; or a show of hands.
- Voting*
40. In the case of a meeting of shareholders held under paragraph (b) of Article 33, unless a poll is demanded, voting at the meeting shall be by shareholders signifying individually their assent or dissent by voice.
41. A declaration by the Chairman 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 Article 42.
- Amended on
19th September 2019*
42. At a meeting of shareholders, a poll may be demanded by —
- (a) not less than five 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.
43. A poll may be demanded either before or after the vote is taken on a resolution.
44. If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present and voting. On a poll a shareholder is entitled to one vote for each share held.
45. The Chairman of a shareholders' meeting is not entitled to a casting vote.
- Amended on*

PROXIES

46. A shareholder may exercise the right to vote either by being present in person or by proxy.
47. A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.
48. 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.
49. 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.
50. An instrument appointing a proxy shall be in the following form or in a form as near thereto as circumstances admit;

Form of Proxy

L O L C FINANCE PLC

I/We
ofBeing
a..... Member/ members of the above
named Company hereby appoint.....
of failing
him/her..... of as my/our proxy to represent
me/us and vote for me/us on my/our behalf at the Annual /Extraordinary (as
the case may be) General Meeting of the Company to be hold on the
..... Day of 20..... and at
any adjournment thereof.

Signed this day of20.....

MINUTES

51. The board must ensure that minutes are kept of all proceedings at meetings of shareholders.
52. Minutes which have been signed correct by the Chairman of the meeting are prima facie evidence of the proceedings.

*Amended on
19th September 2019*

53. SHAREHOLDERS 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.

54. **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. Such appointment of the representative must be communicated to the Company (with such documentary evidence as is required by the Company) not less than forty eight hours before the meeting.

VOTES OF JOINT HOLDERS

55. 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.

LOSS OF VOTING RIGHT IF CALLS UNPAID

56. 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.

**ANNUAL GENERAL MEETINGS AND EXTRAORDINARY
GENERAL MEETINGS OF SHAREHOLDERS**

57. Subject to Article 58 and 59 of these Articles, 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.

58. 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.
59. 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.
60. 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 meeting of

those shareholders. The Company need not hold an annual meeting if every thing required to be done at the meeting (by resolution of otherwise) is done by resolution and is in accordance with this clause.

61. Within five working days of a resolution being passed under Article 60 of these Articles, the company must send a copy of the resolution to every shareholder who did not sign it.
62. A resolution may be passed under Article 60 of these Articles without any prior notice being given to shareholders.

VOTING IN INTEREST GROUPS

63. 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.

SHAREHOLDERS ENTITLED TO RECEIVE DISTRIBUTIONS, EXERCISE PREEMPTIVE RIGHTS, AND ATTEND AND VOTE AT MEETINGS

64. 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.
65. A date fixed under Article 64 of these Articles should not precede by more than thirty working days, the date on which the meeting is to be held.
66. 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 article 61 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.
67. A person named in a list prepared under Article 66 of these Articles 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

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 Article 66.

68. A shareholder may examine a list prepared under Article 66 during normal business hours, at the registered office of the company.

APPOINTMENT AND REMOVAL OF DIRECTORS

69. The directors shall not be less than five or more than thirteen in number.
70. The board shall have the 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 additional director, but so that the total number of directors shall not at any time exceed the maximum number fixed by these Articles. Any director so appointed shall hold office until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.
71. A director may also be appointed or removed by ordinary resolution passed at a meeting called for the purpose or by a written resolution in accordance with Article 60. The shareholders may only vote on a resolution to appoint a director if—
- a. the resolution is for the appointment of one director; or
 - b. the resolution is a single resolution for the appointment of two or more persons as directors, and a separate resolution that it be so voted on has first been passed without a vote being cast against it.
72. 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.
73. A director vacates office if he—
- (a) resigns in accordance with Article 72 of these Articles;
 - (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.
 - (f) (being required to hold any qualification) does not obtain his qualification within two months after his appointment, or at any time thereafter ceases to hold his qualification, and so

that a director vacating office under this provision shall be incapable of being re-appointed a director until he shall have obtained his qualification;

- (g) be requested in writing by a majority of his co-directors to resign
- (h) be removed from office by a resolution of the Company under the provisions of these Articles.
- (i) becomes disqualified in terms of the Finance Companies Act No. 78 of 1988
- (j) is ineligible to hold the post of Director in terms of any directions issued under the Finance Companies Act No. 78 of 1988 including the Finance Companies (Corporate Governance) Direction No. 3 of 2008

74. The Board may appoint from its members a Chairman and Deputy Chairman as may be required from time to time. The Chairman shall be a Non-executive Director. The Board shall also have power of removal of such office holders.

*Chairman and
Deputy
Chairman*

However, in the absence of the Chairman, the members of the Board shall appoint a Non-Executive Director to preside at meetings of the Board.

*Amended on
19th September 2019*

RETIREMENT OF DIRECTORS

75. At the first Annual General Meeting of the Company all Directors shall retire from office and at the Annual General Meeting in every subsequent year one third of the Directors for the time being or the number nearest one third shall retire from office. A director retiring at a meeting shall retain office until the close of the meeting including any adjournment thereof, and shall be eligible for reelection.

POWER AND DUTIES OF DIRECTORS

76. 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.
77. 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.
78. 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 in 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.

INTERESTED DIRECTORS

79. 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.
80. Subject to Article 81, a director of a company is interested in a transaction to which the company is a party, 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.
81. 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.
82. Article 80 of these Articles 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.
83. A director of a company who is interested in a transaction entered into or to be entered into by the company, shall not —

- (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.
84. 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 clause 82 of this article.
85. 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 Article 86 of these Articles; and
 - (b) particulars of the authorization are entered in the interests register.
86. 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.
87. 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.

PROCEDURE AT MEETINGS OF DIRECTORS

88. Articles 89 to 106 sets out the procedure to be followed at meetings of directors.
89. A meeting of directors may determine its own procedure, to the extent that it is not governed by these articles.
90. The directors may elect one of their number to be the Chairman of the board and may determine the period for which the Chairman is to hold office.
91. If no Chairman is elected or if at a meeting of the Board the Chairman 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

*Amended on
19th September 2019*

*Amended on
19th September 2019*

Chairman of the meeting subject to Article 74 of this Articles of Association.

ALTERNATE DIRECTORS

92. Any Director who is abroad or about to go abroad may at any time by notice in writing left at the office appoint any person approved by the Board to be an Alternate Director of the Company to act in his place during his absence abroad and the following provisions of this article shall apply to any person so appointed.

REMUNERATION OF DIRECTORS

93. The Board may determine by ordinary resolution the remuneration and other benefits of directors in compliance with the provisions of section 216 of the statutes.

NOTICE OF MEETING

94. 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.
95. A notice of at least 7 days shall be given of a regular board meeting to provide all directors an opportunity to attend. For all other board meetings, a reasonable notice shall be given.
96. 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.

METHODS OF HOLDING MEETINGS

97. 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.

An expression by a director of consent or dissent to a resolution by means of a communication by telephone or any other means of visual or oral communication shall be ratified by a resolution circulated by facsimile by the Company Secretary/director setting out such decisions and deemed for all intents and purposes to be the equivalent to such a director signing the resolution.

QUORUM

- 98. A quorum for a meeting of the board is a majority of the directors provided that half of such a quorum is made up of non-executive directors.
- 99. No business may be transacted at a meeting of directors if a quorum is not present.

VOTING

- 100. Every director has one vote. The Chairman will have a casting vote.
- 101. 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.
- 102. 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.

*Amended on
19th September 2019*

MINUTES

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

RESOLUTION IN WRITING

- 104. A resolution in writing signed or assented to by the majority of the directors in Sri Lanka as at the date of the resolution, is as valid and effective as if it had been passed at a meeting of the board duly convened and held.
- 105. 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.
- 106. A copy of any such resolution must be entered in the minute book of board proceedings.

MANAGING DIRECTOR AND OTHER EXECUTIVE DIRECTORS

- 107. The board may from time to time appoint a director as managing director for such period and on such terms as it thinks fit.
- 108. 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.
- 109. 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.

- 110.. 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.
111. 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.
- 112 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.

BORROWING POWERS

113. The Board may exercise all the powers of the Company to borrow money and may mortgage or charge its undertaking , property and uncalled capital, and issue debentures, debenture-stock, convertible loan stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

SECRETARY

114. The company must at all times have a secretary.
115. 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.
116. The board may remove the secretary.
117. 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.
118. 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.

ACCOUNTING RECORDS, FINANCIAL STATEMENTS, AUDIT

119. 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.
120. The accounting records must comply with subsection (2) of section 148 of the Act.
121. The board shall ensure that within six 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.
122. 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.
123. The board must within six 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.

DIVIDENDS

124. The Company may subject to compliance with the provisions of section 60 of the Statutes and Article 125 below by ordinary resolution declare dividends, but no dividend shall be payable in excess of the amount recommended by the Board or otherwise than out of profits.

125. Any income derived from the investments of the Company or any part thereof may be treated as profits and dealt with and distributed by way of dividend, without obligation to make provision for any depreciation in the capital value of the investments.
126. Subject to the rights of a person, (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this article only) no amount paid on a share in advance of calls shall be treated as paid on the shares. All dividends shall be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
127. If and so far as in the opinion of the Board the profits of the Company justify such payments, the Board may pay the fixed cumulative preferential dividends on any class of shares carrying a fixed cumulative preferential dividend expressed to be payable on fixed dates on the half yearly or other dates (if any) prescribed for the payment thereof by these presents or by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they think fit.
128. No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.
129. The Board may deduct from any dividend or other monies payable to any member on or in respect of a share all sums of money (if any) authorised by these presents to be deducted there from.
130. The Board may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
131. The Board may retain dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person under those provisions is entitled to transfer until such person has become a member in respect of such shares or shall duly transfer the same.
132. The payment by the Board of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so forfeited shall then revert to the Company. All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed.
133. Any dividend or other money payable in cash or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or as otherwise directed in writing by such members or person, or if several persons are registered as joint holders of the shares or are entitled thereto in consequence of the death or bankruptcy

of the holder, to any of such persons or to such person and such address as such person may be writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or the person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct, and payment of the cheque or warrant if purporting to be endorsed shall be good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

RESOLUTION TO APPOINT LIQUIDATOR

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

DISTRIBUTION OF SURPLUS ASSETS

135. 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.
136. 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.

DOCUMENTS TO BE KEPT BY COMPANY

137. 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 interest 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 shares during the last ten years,

including annual reports prepared under article 120;

- (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.

138. The references in Article 137 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.

RIGHTS OF DIRECTORS AND SHAREHOLDERS

- 139 The directors of the company are entitled to have access to the company’s records in accordance with section 118 of the Act.
140. 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
 - (b) 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.

NAME OF THE COMPANY

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

NOTICES

142. a) 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.

- b) where notice is given by an advertisement, such advertisement, shall be published in Sinhala, Tamil and English national daily newspapers
- 143. Any member whose registered address is not within Sri Lanka may name an address within Sri Lanka which for the purpose of notice, shall be considered as his registered address
- 144. 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.
- 145. 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.
- 146. A copy of every notice or document sent to all shareholders must be sent to the auditor of the company.

INSURANCE AND INDEMNITY

- 147.
 - 1) The Company may indemnify a Director or employee of the company, for any costs incurred by him in any proceeding –
 - a) that relates to liability for any act or omission in his capacity as a Director or employee; and
 - b) in which judgment is given in his favour or in which he is acquitted or which is discontinued or in which he is granted relief under Section 526 of the Companies Act. No. 7 of 2007”.
 - 2) The Company may with the prior approval of the Board, effect insurance for a Director or employee of the Company in respect of
 - a) liability not being a criminal liability for any act or omission in his capacity as a Director or employee of the Company;
 - b) costs incurred by that Director or employee in defending or settling any claim or proceeding relating to such liability; or
 - c) costs incurred by that Director or employee in defending any criminal proceedings relating to his capacity as a Director or employee, in which he is acquitted.
- 148. The company may indemnify a director or employee in circumstances where

clause 144 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.

CONTRACTS AND COMPANY SEAL

149. 1) A contract or other enforceable obligation may be entered into by a company as follows:
- a) an obligation which, if entered into by a natural person is required by law to be in writing signed by that person and be notarially attested, may be entered into on behalf of the Company in writing signed under the name of the Company by –
 - (i) two Directors of the Company, as authorized by a resolution of the Board and placing the Company Seal
 - (ii) any one Director and Secretary of the Company as authorized by a resolution of the Board and placing the Company Seal
 - (iii) any other person as authorized by a resolution of the Board.
 - (iv) one or more Attorneys appointed by the Board authorizing to enter into such obligation

and be notarially executed;

- b) an obligation which, if entered into by a natural person is required by law to be in writing and signed by that person, may be entered into on behalf of the Company in writing signed by two Directors of the Company, as authorized by a Resolution of the Board and placing the Company Seal or by any one Director and Secretary of the Company as authorized by a resolution of the Board and placing the Company Seal or by a person authorized by a resolution of the Board; or one or more Attorneys enter into such obligation.
- c) an obligation which if entered into by a natural person is not required by law to be in writing, may be entered into on behalf of the company in writing or orally by a Director or a person authorized by a resolution of the Board.
- d) The provisions of Article 149(1) shall apply to a contract or other obligation –
 - (i) whether or not that contract or obligation is entered into in Sri Lanka; and
 - (ii) whether or not the law governing the contract or obligation is the law of Sri Lanka.
- e) For the purpose of this section, the Company may use a generally recognized abbreviation of any word in the name,

unless it is misleading to do so.

- 2) (a) The Board shall provide for the safe custody of the Seal and the Seal shall only be used by the authority of the Board or of a committee of directors authorised by the Board in that behalf. Subject to the provisions of the next succeeding sub-paragraph the seal of the Company shall not be affixed to any deed, certificate for shares, stock, debenture-stock or other form of security or other instrument except in the presence of two or more of the Directors or of one Director and the Secretary who shall attest the sealing thereof. Such attestation on the part of the Secretary, in the event of a firm being the secretaries, shall be signified by a partner or duly authorised agent of the said firm signing the firm name or for and on behalf of the said firm as such secretaries. In the event of a Company being the secretary, such attestation shall be signified by a director or the secretary or the duly authorised agent of such company signing for and on behalf of such company as secretaries. The sealing shall not be attested by one person in the dual capacity of Director and secretary or representative of the secretaries.
- (b) Where the Board shall so resolve in the case of certificates for shares of the Company (which shall not however be deemed to include letters of allotment issued under the signature of the secretary on behalf of the Company) or in the case of certificates for debentures, debenture-stock, loan stock or other forms of security (other than securities created by deed for which provision is made in the preceding sub-paragraph of this article) attest or attests the sealing thereof may, with the approval and subject to the control of the auditors or the transfer-auditors or the bankers of the Company, be in the form of an autographic signature stamped or printed or impressed by manual or mechanical means thereon.
- (c) Any document sealed in accordance with the foregoing provisions of this Article shall be presumed to have been executed by the Company.

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ISSUE OF DEBENTURES

- (i) Any bonds, debentures, debenture stock, convertible loan stock or other securities issued or to be issued by the Company shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
- (ii) The Directors may issue Debentures according to the terms of issue which may be irredeemable or redeemable only on the happening of a contingency, however remote, or on the expiration of a period however long; the Debentures may be cancelled or may be re-issued either by the Company re-issuing the same Debentures or by issuing of other Debentures in their place. The provisions of Section 84 of the Act shall be applicable to the issue of Debentures.
- (iii) Debentures, debenture –stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

- (iv) Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium, or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at General Meetings of the Company, appointment of Directors and otherwise.
- (v) All certificates for debentures, debenture-stock, convertible loan stock or other securities issued in terms of this Article shall be under the Common Seal of the Company and bear the signature of two Directors or at least of one Director and the Secretary.

151.

COMPLIANCE WITH LISTING RULES

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

These Articles of Association of the Company were approved by the shareholders by Special Resolution dated 28th February 2011 in substitution for and to the exclusion of all the existing rules thereof.

Sgd. Mrs R L Nanayakkara
Chairman