

ARTICLES OF ASSOCIATION

OF

KELSEY DEVELOPMENTS PLC
(PQ 76)

A. OBJECTS OF THE COMPANY

The objects of the Company shall be

1. PRIMARY OBJECTS

- (1) To undertake Property Development Projects.
- (2) To build housing complexes, dwelling houses, flats, maisonettes.
- (3) To prepare building sites and to construct, re-construct, alter, improve, decorate, furnish and maintain housing complexes, dwelling houses, flats, maisonettes, buildings, works and conveniences of all kinds, to lay out roads, and pleasure gardens or otherwise improve the land or any part thereof.

2. ANCILLARY POWERS:

- (1) To establish agencies and branches and appoint agents and others to assist in the conduct or extension of the Company's business, and to regulate and discontinue the same.
- (2) To act as executor or administrator of any deceased person and either as such executor or administrator or as representative of such executor or administrator to enter into all necessary bonds in connection therewith and to act as an ordinary, custodian or judicial trustee and to undertake the office of receiver, treasurer or administrator or assignee of the estate of any bankrupt or insolvent person or Company and to keep for any Company, government or authority or body any register relating to any stocks, funds, shares or securities and to undertake any duties in relation to the registration of transfers, the issue of certificates or otherwise and generally to hold and perform the duties of any office of trust or confidence or for a commission or other remuneration or otherwise.
- (3) To buy, import, hire or otherwise deal in such raw materials, ancillary materials, plant, machinery, equipment, vehicles, instruments and tools, spares and component parts, fixture, fittings, articles and things necessary or useful in the establishment and carrying on any of the above mentioned businesses.
- (4) To undertake urban development projects within the Republic of Sri Lanka or elsewhere and for that purpose to enter into any arrangement with any government, Urban Development Authority or authorities, supreme, municipal, local or otherwise or any companies, firms or persons; and to obtain from such government, authority, company, firm or persons (and to carry out exercise and comply with) any charters, decrees, rights, privileges and concessions.
- (5) To manage or let the above buildings or lands or any part thereof for any period whether belonging to the company or not, to collect rents and income and to supply to tenants, occupants and other light, heat, air-conditioning, lift service, water service, waiting rooms, reading rooms, meeting rooms, lavatories, bath houses, laundry conveniences, electric conveniences, garage, recreation facilities and other advantages which from time to time the Company shall consider desirable, or to provide for such management, letting and advantages as aforesaid by employing any person, firm or Company to carry out or supply the same on such terms as the Company may think fit.
- (6) To pay for any lands and real or personal, immovable or movable estate or property or assets of any kind, acquired or to be acquired by the Company or for any services rendered or to be rendered to the Company and generally to pay or discharge any consideration to be paid or given by the Company for property or assets or for service rendered to the Company or for any other cause whatsoever in money or in shares whether fully paid or partly paid or in debentures, debenture-stock or other securities or partly in one and partly in another or otherwise howsoever.
- (7) To construct, improve, maintain, develop, work, manage, carry out, demolish, alter or control any land, buildings, offices, factories, mills, roads, ways, warehouse,

electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the Company's interests and to contribute to, subsidise, or otherwise assist or take part in the construction, improvement, maintenance, development working, management, carrying out, or control thereof.

- (8) To invest and deal with the moneys of the company not immediately required by the Company for the purposes of its business in or upon such investments or securities and in such manner as may from time to time be determined by the Directors of the Company
- (9) To appoint, engage, employ, maintain, provide for and dismiss, attorneys agents superintendents, managers, clerks, labourers and servants, and to pay such employees such remunerations and emoluments as shall be thought fit.
- (10) To purchase, take on lease or in exchange, hire or otherwise acquire, any land or lands or any share or shares thereof, any interest therein, and any buildings, machinery, implements, tools, live and dead stock, stores, effects and other property, real or personal, movable or immovable of any kind, and any contract, rights, easements, privileges, concessions or concessions, which may be thought necessary or convenient for the purpose of the Company's business, and to erect, construct, maintain or alter any buildings, machinery, plant, roads, ways or other' works or methods of communication.
- (11) To apply for, purchase, or otherwise acquire, any patents, brevets d'inventions, trademarks, trade secrets, licenses, concessions and the like conferring any exclusive, or non-exclusive, or limited rights to use, exercise, or exploit, or any trade secret or other information for any of the purposes of the Company, or which may seem calculated directly or indirectly to benefit the Company, and to use exercise, develop or grant licenses in respect of, or otherwise turn to account, the property, rights or information so acquired.
- (12) To acquire by grants, purchase, or otherwise, patents or patent rights or other rights, privileges or concessions of any kind, and to work, exercise, grant licenses for the use of or otherwise dispose of or deal with, the same.
- (13) To hire, lease or purchase land, either with any other person or Company or otherwise, to erect buildings thereon, or any land leased or owned by the Company at the cost of the Company, and such other person or Company, or otherwise, and to lease any other buildings from, any Company or person for the Company's business.
- (14) To advance or lend money or assets of all kinds, on any terms and on any security and in particular on the security of plantations, factories, growing crops, produce, bills of exchange, promissory notes, bonds, bills of lading, warrants, stocks, shares, debentures, and book debts or without any security at all and also to make advances upon, hold in trust, buy, sell or otherwise acquire and dispose of any securities or in investments of any description whatsoever and to act as agents or trustees for any of the above or the like purposes, and to manage, supervise or control the business or operations of any Company or undertaking, and for that purpose to appoint and remunerate directors, managers, secretaries, accountants, or other experts or agents.

- (15) To obtain from any government or municipal or other authorities local or foreign, licenses, permits and authorities necessary for the Company's undertakings and for the use of any premises of or in possession of the Company.
- (16) To carry on all or any of the following businesses, namely builders and contractors, decorators, merchants and dealers in stone, sand, lime, brick, timber, hardware and other building requisites, bricks and tile and terra-cotta makers.
- (17) To carry on the business of civil engineers, electrical engineers, mechanical engineers, iron founders, metal workers, millwrights, machinists, wood workers, painters, water supply engineers and any other businesses which may seem to the Company capable of being carried on in connection with any of the aforementioned businesses.
- (18) To carry on the business of managing agents, investment agents, commission agents, insurance agents, agents, agents for the purchase, sale, exploitation, improvement, development and management of any properties or rights of whatever nature or description including business concerns and undertakings and generally to transact any kind of agency business and to act as representatives of manufacturers and suppliers of all kinds of goods, wares, merchandise, raw materials, machinery equipment, tools, implements and vehicles of all descriptions.
- (19) To carry on the business of general merchants, importers and exporters, traders, manufactures, agents and any other trade or business in hardware items, raw materials required for industry and all and any other goods or classes of goods.
- (20) To guarantee indemnify or become liable for the payment of money or for the performance of any obligation, by any other company, firm or person and generally to transact all kinds of guarantee and counter-guarantee business and for the said purposes to enter into any contract or contract of suretyship either alone or with co-sureties and in any such contract or suretyship to waive all or any of the privileges to which sureties are by law entitled and to carry on and transact every kind of indemnity and counter-indemnity business and to secure any obligation or obligations undertaken by the Company as aforesaid in any manner or by mortgage charge assignment or otherwise of the whole or any part of the undertaking property assets or revenue of the Company, present or future including its uncalled capital.
- (21) To give any guarantee in relation to mortgages, loans, investments and securities, whether made or effected or acquired through the Company's agency or otherwise, and generally to guarantee or become securities or for the performance of any contracts and obligations.
- (22) To make, draw, accept, endorse, issue, discount, execute, transfer, negotiate, and otherwise deal in and with bills of lading, warrants, bills of exchange, cheques, promissory notes, letters of credit, circular notes, travelers' cheques, fixed deposit receipts, trust receipts and all other transferable, negotiable and mercantile instruments for the purposes of the Company.

- (23) To open and operate upon current, savings, fixed deposit and all other types of accounts with any banking institution, and to obtain from any banking institution loans, overdrafts, guarantees, trust receipts and other facilities.
- (24) To let, sell, lease, exchange, part with, alienate, transfer, deliver, charge, mortgage or otherwise dispose of or deal with the Company's undertakings, estates, lands, buildings or real or personal immovable or movable property, or any part of parts thereof, whether in consideration of rent, money or securities, for money; shares, debentures or securities in any other Company, whether such Company be registered in the Republic of Sri Lanka or elsewhere.
- (25) To borrow or raise money for the purposes of the Company or receive money on deposit or loan upon such terms as the Company may approve and for the purpose of raising or securing money or for the performance or discharge of any obligation or liability of the Company or for any other purpose to create, execute, grant or issue any mortgages, mortgage debentures, convertible debentures, debenture stock, bonds or obligations of the Company either at par, premium or subject to the provisions of the statutes at a discount and either redeemable, irredeemable or perpetual, secured upon all or any part of the undertaking, revenue, rights and property of the Company, present and future, including uncalled capital or the unpaid calls of the company.
- (26) To cause or permit any debenture stock, bonds, debentures, mortgages, charges, encumbrances, liens or securities of, or belonging to, or made, or issued by the Company, or affecting its property, or rights, or any of them, to be renewed, extended, varied, redeemed, exchanged, transferred or satisfied as shall be thought fit, and also to pay-off and re-borrow the monies secured thereby, or any part or parts thereof.
- (27) To unite, co-operate, amalgamate, or enter into partnership or any arrangement for sharing profits or union of interests or any other arrangement with any person or company already engaged in or hereafter to be established for the purpose of carrying on any business having objects wholly or in part similar or analogous or subsidiary to those of the Company or to any of them, or capable of being conducted so as to benefit this Company, either directly or indirectly, and to subscribe for or otherwise acquire for the benefit and in the name of the Company or otherwise and pay for in any manner that may be agreed upon either in money or in shares or bonds or otherwise, and to hold any shares, stock or other interest in any such Company, and to promote the formation of any such Company.
- (28) To carry on any other business which may seem to the Company capable of being conveniently carried out in connection with the above mentioned business or businesses or is calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (29) To undertake the business of engaging, providing, hiring, letting and supplying staff, offices, premises and equipment and of performing managerial, secretarial, accountancy, clerical and other duties for and on behalf of any person, firm, company or association, business or enterprises of any kind whether in Sri Lanka or elsewhere

and for any of such purpose to provide or supply all services, facilities and assistance as may be thought fit.

- (30) To acquire by purchase in money, shares, bonds or otherwise, and undertake, all or any part of the business, property assets and liabilities of any person or Company carrying on any business similar to that of the Company or which this Company is authorized to carry on, or possess of property suitable for the purposes of this Company.
- (31) To sell or dispose of the property, business or any assets of the Company, or any part thereof, for such consideration as the Company shall think fit, and in particular for shares (whether credited as partly or fully paid-up or otherwise), stocks, debentures, debenture stock, or securities of any other Company, whether such Company is registered in the Republic of Sri Lanka or elsewhere.
- (32) To negotiate loans in any manner, and on any security, bills of exchange, promissory notes, bonds, bills of lading, warrants, stocks, debenture stock and book debts, or without any security at all.
- (33) To invest and deal with the monies of the Company not immediately required upon such manner, as may from time to time be determined.
- (34) To promote and establish any other Company, having objects similar to those of the Company, and to subscribe to and hold the shares, debentures or securities of any other Company, or stock of any other Company having objects similar to those of the Company and to pay all the costs, charges and expenses, of the formation, promotions or establishment of any such Company, and to work as Agents, Secretaries and Treasurers of Companies, and to obtain remuneration for such services.
- (35) To accept as consideration for the sale or disposal of any lands, real and personal, immovable or movable, estate, property and assets of the Company of any kind sold or otherwise disposed of by the Company, or in discharge of any other consideration to be received by the Company in money or in shares, the shares (whether wholly or partly paid-up) of any Company, or the mortgages, debentures, or obligations of any Company or in any other kind or mode whatsoever.
- (36) To distribute among the shareholders/members in specie any property of the Company whether by way of dividend or upon a return of capital but so that no distribution amounting to a reduction of capital shall be made except with the sanction required by law.
- (37) To pay all or any part of the expenses of and preliminary to the promotion, formation, establishment and registration of the Company, or of any other Company, whether promoted, formed, established or registered by or on behalf of the Company, or otherwise and all commissions, brokerage, discounts, underwriting and other expenses lawfully payable which may be deemed expedient for taking, placing or underwriting all or any of the shares, debentures or other obligations of the Company or of any such other company.

- (38) To purchase, or otherwise acquire, issue, re-issue, sell, place, and deal in shares, stocks, bonds, debentures and securities of all kinds and to give any guarantee or security for the payment of dividends or interest thereon, or otherwise, in relation thereto.
- (39) To establish and support or aid in the establishment and support of schools, places of worship, associations, institution, funds, trusts and arrangements calculated to benefit employees or ex-employees, of the Company or its predecessors in business, or the dependents or connections of such person, and to grant pensions gratuities and allowances and to make payments towards insurance, pensions and superannuation funds, and to subscribe or make donations or gratuities to charitable, scientific, public or benevolent objects or any objects calculated to promote the interests of the Company and to act as Trustee of or for any funds created for any of such purposes or for the benefit of any such persons and generally to provide for the welfare of any or all of such person.
- (40) To provide for the welfare of persons employed or previously employed and/or their wives, widows, families or dependents, by grants of money or of pensions, or provident funds, or other aid, or otherwise as the Company may think fit.
- (41) To subscribe to, or otherwise aid, benevolent, charitable, national or other institutions for objects of a public character (whether local or general) which have any moral or other claim to support or aid by the Company by reason of the locality of their operations, or otherwise howsoever, and to make donations to such persons, institutions, funds, or objects, and in such cases as may seem expedient.
- (42) To make pecuniary grants by way of donations, subscriptions, or otherwise, and to support and subscribe to, any national, public, educational, cultural, charitable, benevolent or religious objects, or organization which the Company may think desirable.
- (43) To carry on all or any of the objects of the Company in any part of the world, either as principals, agents, trustees, contractors or otherwise, and either on its own or through agents, trustees, contractors, or otherwise.
- (44) To do all such things as are incidental or conducive to the above objects or any of them.
- (45) To carry on any other action within the applicable legal framework as may be required to carry out the business and potential businesses of the Company.

B. SHARES

1. ISSUE OF SHARES

- (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 terms of issue which set out the rights and obligations attached to the shares as required by subsection (2) of section 51.

- (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.
- (3) Where the Company issues shares which rank equally with or prior to existing shares, those shares must be first offered to the existing shareholders having recognized their *pre-emptive rights* 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.
- (4) The Company may, subject to and in accordance with the provisions of the Rules, Regulations, Directives and Circulars in force for the time being and from time to time of a Licensed Stock Exchange and other Regulatory Authorities to the extent applicable to the Company,
 - (a) issue shares that may result in an increase or decrease of the number of shares issued by the Company pursuant to a decision of the Company in terms of sub paragraph (ii) hereof to effect a sub division of existing shares into a greater number of or a consolidation and division of shares;
 - (b) issue shares pursuant to a capitalization of the reserves of the Company or by way of Dividends;
 - (c) issue shares to persons other than existing shareholders; or
 - (d) issues upon conversion of convertible securities into shares whether at the option of the holder of such convertible securities or otherwise.
- (5) The Company may consolidate shares or the shares in a particular class of shares in the Company into a lesser number of shares, in proportion to those shares, leaving unaffected the relative voting and distribution rights of the holders of those shares, by following an applicable procedure to effect such consolidation as the Board may consider appropriate.
- (6) The Company may subdivide or split all the shares or all the shares in a particular class of shares in the Company into a greater number of shares, in proportion to those shares, leaving unaffected the relative voting and distribution rights of the holders of those shares, by following an applicable procedure to effect such subdivision as the Board may consider appropriate.

2. CALLS ON SHARES

- (1) Where a share imposes any obligation on the holder to pay an amount of money –
 - (a) on a fixed date, the holder shall 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 shall be made in accordance with that notice.
- (2) Any amount not paid by the aforesaid due date shall carry interest at a rate fixed by the board not exceeding ten *per cent per annum*, accruing on a daily basis until the full payment in relation to shares has been made to the Company. The board may waive off the requirement to pay interest by the shareholder in the aforementioned instance.
- (3) Joint holders of a share are jointly and severally liable for any payments to be made under paragraph (1) of this Article.
- (4) The Company has a lien on every share to which sub-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.
- (5) 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 twenty working days of the giving of that notice.
- (6) 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.
- (7) The proceeds of a sale under paragraph (5) 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. REPURCHASE OR REDEMPTION OF SHARES

The Company may purchase, redeem or otherwise acquire its own shares with the approval of the Board in terms of the Companies Act, No. 07 of 2007.

4. DISTRIBUTIONS

- (1) The Company may make distributions to shareholders in accordance with section 56 of the Act. Subject to paragraph (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.

- (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) 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) All Dividends unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed by the respective shareholder or his/her/its heirs, executors or administrators and the Company shall not constitute a Trust in respect thereof. All Dividends unclaimed for six (6) Years after having been declared shall be forfeited and shall revert to the Company.

5. SHARE REGISTER AND TRANSFER AND TRANSMISSION OF SHARES

- (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.
- (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.
- (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) 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.
- (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 (3) of this Article.

- (6) 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.
- (7) Notwithstanding any provisions 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.
- (8) 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).

C. MEETINGS OF SHAREHOLDERS

6. 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.

7. NOTICE OF MEETINGS

- (1) Written notice of the date, 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 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.

In this context written notice shall mean and include but not limited to notice sent by post, email, fax, SMS, paper advertisements etc.

- (2) 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.

- (c) Any web link or online platform link which directs the shareholders to the online notice or login details of the intended meeting and/or other sufficient details, materials or any resolutions to be taken at the meeting if the meeting is intended to be conducted virtually.
- (3) 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 all the shareholders attended to the meeting agree to the waiver or in view of the secretary and the board, the Company in good faith has taken best possible and reasonable efforts to convey such notices to all the shareholders in terms of the Act and accordingly proceedings taken at any meeting shall not be invalidated.
- (4) 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.
- (5) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting as long as the Secretary and the board in good faith have taken best possible and reasonable efforts to convey such notices in terms of the Act on behalf of the Company to the shareholders as a whole.

8. METHODS OF HOLDING SHAREHOLDER MEETINGS

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.

9. QUORUM

- (1) Subject to paragraph (3) of this Article, no business may be transacted at a meeting of shareholders if a quorum is not present.
- (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.
- (3) If a quorum is not present within thirty minutes after the time scheduled 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.

10. CHAIRPERSON

- (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.
- (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.

11. VOTING

- (1) In the case of a meeting of shareholders held under paragraph (a) of Article 8, 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.

In the case of a meeting of shareholders held under paragraph (b) of Article 8, unless a poll is demanded, voting at the meeting shall be by shareholders signifying individually their assent or dissent by voice or any other symbolic manner acceptable based on the type of the meeting conducted.

- (2) 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.
- (3) 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.
- (5) A poll may be demanded either before or after the vote is taken on a resolution.
- (6) If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present and voting.
- (7) The chairperson of a shareholders' meeting is not entitled to a casting vote.

12. PROXIES

- (1) A shareholder may exercise the right to vote either by being present in person or by proxy.
- (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.
- (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.
- (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.

13. MINUTES

- (1) The board must ensure that minutes are kept either by way of written records taken by the Company secretaries of all proceedings at meetings of shareholders in the event of online meetings.
- (2) Minutes purporting to be signed by the chairperson of the meeting at which the proceedings were had, or by the chairperson of the next succeeding meeting, shall be evidence of such proceedings.

14. SHAREHOLDERS PROPOSALS

Shareholders entitled to do so may give notice of the resolution to the Company in accordance with section 142 of this 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.

15. 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.

16. 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.

17. 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.

18. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS OF SHAREHOLDERS

(1) Subject to paragraphs (2) and (3) of this Article, the board shall 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.

(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.

(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.

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

(5) Within five working days of a resolution being passed under paragraph (4) of this Article, the Company must send a copy of the resolution to every shareholders who did not sign it.

(6) A resolution may be passed under paragraph (4) of this Article without any prior notice being given to shareholders.

19. 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.

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

- (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.
- (2) A date fixed under paragraph (1) of this Article should not precede by more than thirty working days, the date on which the meeting is to be held.
- (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 (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.
- (4) A person named in a list prepared under paragraph (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 (3) of this Article.
- (5) A shareholder may examine a list prepared under paragraph (3) of this Article during normal business hours, at the registered office of the Company.

D. DIRECTORS AND SECRETARY

21. APPOINTMENT AND REMOVAL OF DIRECTORS

- (1) The Board of Directors of the Company shall not be less than three and not more than eleven in number.
- (2) Subject to the Article 21 (1) aforementioned the Board of Directors may at any time, and from time to time appoint new directors.
- (3) 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.
- (4) A director may be appointed or removed by ordinary resolution passed at a meeting called for the purpose or by a written resolution in accordance with paragraph (4) of Article 18. 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.
- (5) A director may resign by delivering a signed written notice of resignation to the registered office of the Company. Subject to section 208 of this Act, the notice is effective when it is received at the registered office or at any later time specified in the notice.
- (6) A director vacates office if he—
 - (a) resigns in accordance with paragraph (5) of this Article;
 - (b) is removed from office in accordance with the provisions of this Act or these Articles;
 - (c) is removed by passing a resolution by the majority of the Board of Directors;
 - (d) becomes disqualified from being a director pursuant to section 202 of this Act;
 - (e) dies; or
 - (f) vacates office pursuant to subsection (2) of section 210 of this Act, on the ground of his age.

22. ALTERNATE DIRECTORS

- (1) A director may by notice in writing to the board appoint an alternate director to act as his/her substitute when the director is unavailable or absent, for the period as may be determined by such Director.

- (2) Alternate director may have the same powers as the remaining board of directors or the appointee. However, he shall not hold responsible for same duties to be carried out by the appointee unless otherwise agreed by the alternate director and the appointee.
- (3) An alternate director shall *ipso facto* cease to be an alternate director if his appointor ceases for any reason to be a Director, or if the appointment is revoked by the appointor.

23. POWER AND DUTIES OF DIRECTORS

- (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.
- (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 this Act.
- (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 this Act or these Articles.

24. INTERESTED DIRECTORS

- (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 this Act.
- (2) Subject to paragraph (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.
- (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.
- (4) Paragraph (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.
- (5) A director of a Company who is interested in a transaction entered into or to be entered into by the Company, may 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.
- (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 (7) of this Article.
- (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 (8) of this Article; and
 - (b) particulars of the authorization are entered in the interests register.
- (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.
- (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.

25. ROTATION OF DIRECTORS

- (1) One-third of the Directors for the time being or, if their number is not three, or a multiple of three, then the number nearest one-third shall, retire from office at every Annual General Meeting.
- (2) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

26. PROCEDURE AT MEETINGS OF DIRECTORS

- (1) Articles 26 to 32 sets out the procedure to be followed at meetings of directors.
- (2) A meeting of directors may determine its own procedure, to the extent that it is not governed by these Articles.

27. CHAIRPERSON

- (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.
- (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,

28. NOTICE OF MEETING

- (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.

- (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.
- (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.

29. METHODS OF HOLDING BOARD 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 via electronic application form and online by which all directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

30. QUORUM

- (1) A quorum for a meeting of the board is majority of the directors.
- (2) No business may be transacted at a meeting of directors if a quorum is not present.

31. VOTING

- (1) Every director has one vote.
- (2) The chairperson has a casting vote.
- (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.
- (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.

32. MINUTES

The board must ensure that minutes are kept in writing or in a way of online recording of all proceedings at meetings of the board.

33. RESOLUTIONS BY CIRCULAR

- (1) A resolution in writing signed or assented to by majority of directors (including an alternate director/s on behalf of his appointor/s), is as valid and effective as if it had been passed at a meeting of the board duly convened and held.
- (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.
- (3) The resolutions also could be considered valid when such resolutions are approved on BoardPAC or other similar Computer Software Applications.
- (4) A copy of any such resolution must be entered in the minute book of board proceedings.

34. MANAGING DIRECTOR AND OTHER EXECUTIVE DIRECTORS

- (1) The board may from time to time appoint one or more directors as managing director or joint managing director or any executive office for such period and on such terms as it thinks fit. A director appointed to the office of managing director or joint managing director or any other executive office shall not whilst holding that office be subject to retirement by rotation or be taken into account in determining the rotation of retirement of directors.
- (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.
- (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.
- (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.
- (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.
- (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.

35. SECRETARY

- (1) The Company must at all times have a secretary.
- (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.
- (3) The board may remove the secretary at any time by giving reasonable prior notice.
- (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.
- (5) Where the Act or these Articles requires 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.

E. ACCOUNTS AND AUDIT

36. ACCOUNTING RECORDS, FINANCIAL STATEMENTS, AUDIT ETC.

- (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 this Act; and
 - (d) will enable the financial statements of the Company to be readily and properly audited.
- (2) The accounting records must comply with subsection (2) of section 148 of this Act.
- (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.
- (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.
- (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 this Act. The board must send a copy of the annual report to every shareholder not less than fifteen working days before the date fixed for holding the annual meeting of shareholders.

F. LIQUIDATION AND REMOVAL FROM THE REGISTER

37. RESOLUTION TO APPOINT LIQUIDATOR

The shareholders may resolve to wind up the Company voluntarily by way of a special resolution.

38. DISTRIBUTION OF SURPLUS ASSETS

- (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.
- (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.

G. MISCELLANEOUS

39. DOCUMENTS TO BE KEPT BY THE COMPANY

- (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 this Act within the last ten years;
 - (f) the register of directors and secretaries required to be kept under section 223 of this 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 36(5);
 - (h) copies of all financial statements and group financial statements required to be completed under this 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 this 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 this Act for the current accounting period and for the last ten completed accounting periods of the Company.
- (2) The references in paragraph (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.

40. RIGHTS OF DIRECTORS AND SHAREHOLDERS TO DOCUMENTS ETC.

- (1) The directors of the Company are entitled to have access to the Company's records in accordance with section 118 of the Act.
- (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
 - (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.

41. COMMON 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, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

42. METHOD OF CONTRACTING

- (1) The Company may enter into contracts or other enforceable obligations in accordance with the provisions set out in Section 19 of the Act.
- (2) The Directors and such other officers of the Company as are authorized by the Board may enter into a contract or other enforceable obligation (including an obligation which, if entered into by a natural person, is required by law to be in writing signed by that person and be notorially attested) on behalf of the Company as stipulated in the Act.
- (3) Such a contract or other enforceable obligation may also be entered into on behalf of the Company by the affixing of its common seal in the presence of two, or of one Director and the Secretary or Secretaries or by some other person appointed by the Board of Directors for such purpose, who shall attest the sealing thereof: such attestation on the part of the Secretaries, in the event of a firm or registered Company being the Secretaries being signified by a partner or duly authorized manager, director, secretary, attorney or agent of the said firm or Company signing for and on behalf of the said firm or Company as such secretaries. The common seal of the Company shall not be affixed other than in the manner set out herein.

43. NOTICES

- (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 shareholder via e-mail, fax, publishing paper advertisements, SMS and Mobile Applications such as WhatsApp and Viber or to the registered address of the shareholder by ordinary post by complying the minimum notice period recognized in the Act and in the Articles. 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 and within a day of sending notices in other methods.

- (2) Where notice is given by an advertisement, such advertisement shall be published in Sinhala, Tamil and English national daily newspapers.
- (3) A shareholder whose registered address is outside Sri Lanka may give notice to the Company of an address in Sri Lanka or an email address 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.
- (4) 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.
- (5) 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.
- (6) A copy of every notice or document sent to all shareholders must be sent to the auditor of the Company.

44. INSURANCE AND INDEMNITY

- (1) The Company shall indemnify every director, manager, auditor, secretary and other officers of the Company for the time being against any costs, charges, losses, expenses and liabilities incurred in the course of defending any proceeding that relates to any act or omission in his capacity as director, auditor, secretary or otherwise, in which judgment is given in his favour or in which, he is acquitted or which is discontinued.
- (2) The Company may indemnify a director, manager, secretary, auditor and other officers of the Company in circumstances where paragraph (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. COMPLIANCE WITH RULES

- (1) Notwithstanding anything to the contrary contained in the Article 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 the Central Depository System and other Regulatory Authorities which shall be in force from time to time.

46. INTERPRETATION

- (i) In these Article s “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.
- (ii) Board means “board” and “board of directors” means directors of the Company who number is not less than the required quorum acting together as a board of directors.