

# ARTICLES OF ASSOCIATION

OF

## AITKEN SPENCE HOTEL HOLDINGS PLC

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 of Association subject however to repeal, alteration or addition by Special Resolution. Notwithstanding anything to the contrary, in the event of there being any conflict in the provisions contained herein and the substantive provisions of the law as set out in the Companies Act aforesaid or in the event of these Articles being silent on any matter, the provisions if any, in the said Companies Act in relation thereto, shall apply to the Company.
2. In these presents, if not inconsistent with the subject or context, the words standing in the first column of the table next hereafter contained shall bear the meanings set opposite to them respectively in the second column thereof.

Words	Meanings
The Company	<b>Aitken Spence Hotel Holdings PLC</b> a company having the liability of its Members limited to the amount if any unpaid on the shares held by them respectively.
The Statutes	The Companies Act No. 7 of 2007, all amendments thereto including all regulations made there under and every other Act or Ordinance for the time being in force concerning companies and affecting the Company.
The Act	The Companies Act No. 7 of 2007 and all amendments thereto including all regulations made thereunder.
These presents	These Articles of Association as herein adopted or as from time to time altered by Special Resolution.
Ordinary Resolution, Special Resolution and Extraordinary Resolution	Have the meanings assigned thereto respectively by the Act.
The Directors	The Directors of the Company for the time being acting in conformity with these Articles (including where the context so requires or admits) Alternate Directors and shall also include a reference to “the Board”

The Board	The Directors of the Company acting collectively at Meetings of Directors properly convened and constituted and shall include a reference to “the Directors”.
Members	The shareholders of the Company for the time being and from time to time.
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.
Dividend	Has the meaning assigned thereto by the Act
Distributions	Has the meaning assigned thereto by the Act and shall also include an issue of shares made by way of a capitalization of Reserves.
Paid-up	Paid up or credited as paid up

The expression ‘debenture’ or ‘debenture-holder’ shall include, ‘debenture –stock’ and debenture-stockholder’ and the expression ‘Secretary’ shall include any person, firm or company appointed by the Directors to perform any of the duties of the Secretary and shall include an Assistant 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.

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

### **3. OBJECTS**

The objects of the Company shall be:

- (1) To carry on the business of Proprietors and/or Operators of Hotels, restaurants, cafes, roadhouses, auto-court motels and holiday camps and for any such purposes to construct, purchase, take on lease or otherwise acquire hotels and restaurants and to provide buildings for the use of any undertaking for operating hotels and to furnish equip improve and develop the same.

- (2) To fit and furnish any property for the purpose of letting the same to any hotel company or to visitors or guests whether in single rooms, suites, chalets, cottages or otherwise.
- (3) To buy, sell, import, produce, manufacture or otherwise deal in food and food products, meat, groceries, fruits, confectionery, wines, spirits, beer and alcoholic beverages, tobacco druggist supplies, beverages, linen, furniture and furnishings and other articles whether required in the said business or otherwise.
- (4) To carry on the business of hairdressers, perfumers, chemists, proprietors of clubs, baths, dressing-rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusement, recreation, sport and entertainment facilities.
- (5) To carry on the business of tourist agents and contractors and to provide travelling and other facilities for tourists and travellers on land, water and by air and otherwise to promote the provision of convenience of all kinds through tickets, sleeping cars and berths, reserved places, hotel and lodging accommodation, guides, safe deposits, inquiry bureau, baggage transport and otherwise for such tourists and travellers.
- (6) To acquire by purchase lease or otherwise any immovable property suitable for any of the aforesaid purposes and to build and construct ship, offices and other places of business and to use or lease all or any part thereof for any purpose for which it may be conveniently used or let.
- (7) To carry on the business of theatre, music hall, concert hall, ballroom, aquarium, circus and hippodrome proprietors, box-office keepers, showmen, exhibitors, song, music, play, programme and general publishers and caterers for public and private amusements and entertainments of every description and in particular to provide for the exhibition and filming of biograph, kinemacolor and cinematograph pictures and the promotion, provision, production, representation and performance of stage-plays, promenade and other concerts, lectures, public meetings, athletics, sporting, juggling and conjuring displays and every description of musical, dramatic and variety performance, and other public or private entertainment of any kind whatsoever, including public or private balls and roller skating and to permit the Company's premises to be used for such other purposes as may seem expedient.
- (8) To enter into arrangements and agreements with lodgers, guests, passengers, firms, companies or their representatives for providing board and lodging on daily, monthly or periodical terms and to fix rates for the accommodation of lodgers, guests, or passengers.
- (9) To undertake and execute any contracts involving the supply or use of any foodstuffs or drinks to any clubs, parties, associations, festive groups or individuals.
- (10) To undertake the business of engaging, providing, hiring, letting and supplying staff, officers, premises and equipment and of performing managerial, secretarial, accountancy, clerical or other duties for or on behalf of any person, firm, company or association, business or enterprise of any kind whether in Sri Lanka or elsewhere.

- (11) To invest the capital and other money of the Company in the purchase or upon the security of shares, stocks, debentures (whether secured or unsecured) debenture-stocks, annuities, bonds, mortgages, obligations any securities and investments of any kind whatsoever issued or guaranteed by any company (corporation or undertaking) of whatever nature and wheresoever constituted or carrying on business, and shares, stocks, debentures, (whether secured or unsecured) debenture-stocks, bonds, mortgages, obligations and other securities issued or guaranteed by any Government, Sovereign Ruler, Commissioners, Trust, Municipal, Local or other Authority or body of whatever nature, whether in Sri Lanka or abroad.
- (12) To acquire any such shares, stocks, debenture-stocks, bonds, mortgages, obligations and other securities or investments by original subscription, tender, purchase, exchange participation in syndicates or like negotiations or otherwise, and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise; to acquire any such securities or investments in excess of the par value thereof and to sell, exchange, or otherwise dispose of same or any estate, property, effects or assets of the Company, acquired or agreed to be acquired; and to invest in or acquire by repurchase otherwise, any securities and investments, and to vary the securities and investments of the Company from time to time.
- (13) To advance or lend money with or without security, upon such terms as may be arranged, and also to make advances upon any securities or investments or on the security of landed property buildings and hereditaments or any interest therein, in Sri Lanka or in any foreign country or state, and to act as agent or trustee 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 any directors, secretaries, accountants or other experts or agents.
- (14) To carry on business as financiers, financial advisers and to take part in the conversion of business concerns and undertakings.
- (15) To carry on any other trade or business whatsoever which can in the opinion of the directors of the Company, be advantageously carried on by the Company in connection with or as ancillary to any of the above business or the general business of the Company or any branch or department thereof.
- (16) To carry on the business of agents of or for any other company, corporation, firms or persons carrying on any of the business abovementioned, the business of or as agents for importers and exporters of goods wares and merchandise of all kinds, the business of representatives or agents of or for manufacturers insurers and underwriters, and the business of agents and secretaries of any other company or corporation.
- (17) To erect, construct, lay down, enlarge, alter and maintain any roads, railways, tramways, sidings, bridges, reservoirs, shops, stores, factories, buildings, works, plant and machinery necessary or convenient for the Company's business and to contribute to or subsidise the erection, construction and maintenance of any of the same.
- (18) To borrow or raise and in any manner secure the payment of money for the purposes of or in connection with the Company's business.

- (19) To mortgage and charge the undertaking and all or any of the movable and immovable property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture-stock, either permanent or redeemable or repayable, and to make and issue other forms of security and collaterally or further to secure any securities of the Company by a Trust Deed or other assurance.
- (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 to give any kind of security for the payment of such money or the performance of such obligation by such other company, firm or person and generally to transact all kinds of guarantee business and counter guarantee business and for the aforesaid purposes to enter into any contract or contracts 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 secure if necessary any obligation or obligations undertaken by the Company as guarantor or co-guarantor, or otherwise 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 issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations, of the Company or of its customers or other person or corporations having dealings with the Company or in whose business or undertakings the Company is interested, whether directly or indirectly.
- (22) To receive money or deposit or loan upon such terms as the company may approve; to make advances to customers and others, with or without security and upon such terms as the Company may approve.
- (23) To grant pensions, allowances, gratuities, bonuses, and other benefits to officers, ex-officers, employees and ex-employees (including directors and ex-directors) of the Company or its predecessors in business or the dependants or connections of any such persons to establish, contribute to and maintain or concur or join with any other companies, corporations, firms or persons in establishing, contributing to and maintaining trusts, funds, or schemes (whether contributory or non-contributory) with a view to providing pensions, provident fund benefits, sickness or compassionate allowances, life assurance or other benefits for any such persons as aforesaid, their dependants or connections, and to support or subscribe to any charitable funds or institutions, the support of which may, in the opinion of the Directors, be calculated directly or indirectly to benefit the Company or its officers or employees, and to institute and maintain any club or other establishment or profit sharing scheme calculated to advance the interests of the Company or its officers or employees.

- (24) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments and commercial or trading documents.
- (25) To invest and deal with the money of the Company not immediately required by the Company for the purposes of its business in or upon such investment or securities and in such manner as may from time to time be determined.
- (26) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest, any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, trade marks, trade names, licences, secret processes, machinery, plant, stock-in-trade, and movable or immovable property of any kind whatsoever necessary or convenient for the purpose of or in connection with the business of the Company or any branch or department thereof, and also to purchase or otherwise acquire or undertake the whole or any part of the business, undertaking, property, rights, assets, liabilities and transactions (including shares, stocks, bonds, debentures, mortgages and other obligations or any of them) of any other company, corporation, firm, or person, carrying on in Sri Lanka or elsewhere any business which this Company is authorized to carry on, or possessed of any property or rights suitable for the purposes of this Company, and in any of such cases to pay for the same either in cash or fully or partly paid-up shares, with or without preferred or deferred or guaranteed rights in respect of dividend or repayment of capital or otherwise or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally for such considerations and on such terms as the Company may determine.
- (27) To sell, improve, manage, develop, exchange, mortgage, dispose of, turn to account, let, lease or demise (whether on rent, royalty or with share of profits or otherwise) and in any other manner to deal with all or any part of the undertaking, property assets and rights of the Company, and to grant licences, easements and other rights in or over the same, and to sell or dispose of the business, undertaking, property, rights, assets, liabilities and transactions of the Company (including shares, stocks, bonds, debentures, mortgages and other obligations or any of them) and in any of such cases to accept payment for the same either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any other company or corporation, with or without preferred or deferred or guaranteed rights in respect of dividend or repayment of capital or otherwise or in debentures or mortgage debentures or debenture-stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, or for such other consideration and generally on such terms as the Company may determine and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- (28) To enter into any partnership arrangement or arrangements for sharing profits, union of interests, reciprocal concession, or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company and to acquire and hold, sell, deal with or dispose of shares, stock or securities of any such company and to guarantee the contracts or liabilities, of or the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such company.

- (29) To establish or promote or concur in establishing or promoting any other company whose objects include the acquisition and taking over of all or any part of the business, undertaking, property, rights, assets, liabilities and transactions of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company, and to acquire and hold or dispose of shares, stock or securities of and guarantee the payment of the dividends, interest or capital of any shares, stocks or securities issued by or any other obligations of any such company.
- (30) To amalgamate with any other company whose objects are or include objects similar to those of this Company whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid, with or without winding-up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other company as aforesaid or by partnership, or any arrangement of the nature of partnership or in any other manner.
- (31) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (32) To undertake and execute any trusts the undertaking whereof may seem desirable, and either gratuitously or otherwise.
- (33) To adopt such means of making known the products of the Company and of others as may seem expedient, and in particular by advertising in the press, on the radio, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals any by granting prizes, rewards and donations and by propaganda of all kinds.
- (34) To appoint, engage, employ, maintain, provide for and dismiss attorneys, agents, superintendents, managers, engineers, technicians, clerks, labourers and servants in Sri Lanka or elsewhere and to remunerate any such at such rate and in such manner as shall be thought fit.
- (35) To promote freedom of contract, and to resist, insure against, counteract, and discourage interference therewith and to subscribe to any association or fund for any such purposes.
- (36) To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems, troubles or disputes or the promotion of industry or trade.
- (37) To enter into any arrangement with any Government or other authorities, supreme, municipal, local or otherwise and to obtain from any such government or authority all rights, concessions and privileges that may seem conducive to the Company's objects or any of them.

- (38) To do all or any of the matters and things mentioned in the proceeding subparagraphs in any part of the world, and either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.
- (39) To procure the Company to be registered incorporated or otherwise empowered or represented in any country or place outside Sri Lanka.
- (40) To pay all expenses incidental to the formation or promotion of this or any other company and to remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in or debentures or other securities of the Company or in or about the promotion, formation or business of the Company or of any other company promoted wholly or in part by this Company.
- (41) To do all such other things as are incidental or conducive to the above objects or any of them.
- (42) Notwithstanding any thing to the contrary herein contained the Company shall not carry on any business other than the business of an undertaking for operating hotels for tourists and activities incidental to or necessary for such undertaking and shall not engage in any other business except with the prior written approval of the Commissioner General of the Inland Revenue.

It is hereby declared that in the foregoing paragraphs of this clause (unless a contrary intention appears) the word "person" includes any number of persons and company, and the word "company" except where used with reference to this Company shall be deemed to include a corporation and a partnership or other body of persons whether incorporated or not and whether domiciled or incorporated or registered in Sri Lanka or elsewhere and that the "objects" specified in each paragraph of this clause shall except where otherwise expressed in any such paragraphs or the objects therein specified or the powers thereby conferred shall be deemed merely subsidiary or auxiliary to the objects mentioned in any other paragraph of this clause but the Company shall have power to exercise all or any of the powers conferred by any part of this clause in Sri Lanka or elsewhere and notwithstanding that the business undertaking property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of any other part of this clause.

#### **CAPITAL**

- 4. The Board may resolve to increase the capital from time to time by the creation and issue of new shares (including different classes of shares which confer rights other than those set out in Article 6 hereof) at such consideration and on such terms and conditions and whether redeemable or otherwise and with or without a right of preference whether in respect of dividend or repayment of capital, voting or otherwise or such other special, limited or conditional rights (including the conferring of no voting rights) or with such deferred rights to the original or other shares of the Company as the Board may by the resolution sanctioning the increase determine and fully set out in the Terms of Issue in relation to such new shares of the Company.

5. (1) Prior to the issue of any shares as provided for in these presents, the Board shall decide on the consideration at which a share shall be issued which consideration shall, in its opinion, be fair and reasonable to the Company and all existing Shareholders.  
  
(2) The consideration for which a share is issued may take such form or a combination of such forms, including –
  - (a) Cash
  - (b) Promissory Notes
  - (c) Future services
  - (d) Property of any kind ;or
  - (e) Other securities of the Company
  
6. Unless otherwise determined by the Terms of Issue of such shares, the Company's Shares shall confer on the holder thereof –  
  
The right to one vote on a poll at a meeting of the Company on any resolution;
  - (a) The right to an equal share in dividends paid by the Company;
  - (b) The right to an equal share in the distribution of the surplus assets of the Company on liquidation
  
7. The Terms of Issue referred to in these presents shall be–
  - (a) consistent with the provisions of these presents (and be invalid and of no effect to the extent that they are not so consistent); and
  - (b) deemed to form part of the Articles of Association of the Company and be amended in accordance with Section 16 of the Act.

## **SHARES**

8. The Shares created as aforesaid shall be at the disposal of the Board, and subject to the provisions of Article 9 hereof and such other applicable provisions of the Act or these presents as hereinafter set out, the Board may allot, grant options over or otherwise dispose of them to such persons as they think proper.
  
9. Notwithstanding anything to the contrary, unless approved by a Special Resolution of the relevant interest group, the Directors shall in the issue of shares which rank equally with or above existing Shares in relation to voting or distribution rights, first offer such shares to the holders of the existing shares (being the relevant interest group) in such manner as would, if the offer was accepted (fractions being ignored), maintain the relative voting and distribution rights of those shareholders.
  
10. (i) The Company may purchase or otherwise acquire any of its own shares in accordance with the provisions of Sections 64 or 67 of the Act or otherwise in accordance with the terms of an order of court made pursuant to the provisions of the Act.

- (ii) The Company shall however not give any financial assistance directly or indirectly, for the purpose of or in connection with the acquisition of its own shares other than in accordance with the provisions of Sections 70 and 71 of the Act.
11. The Company may redeem a share in accordance with the provisions of the Act, which by the terms of issue thereof, is a redeemable share.
- 12 (i). The Company may by Ordinary Resolution:
- a) Consolidate all or any of its shares issued at the time, with the objective of reducing the number of shares in issue;
  - b) Sub-divide (split) all or any of its shares issued at the time, with the objective of increasing the number of shares in issue.
- (ii) The Company may by Special Resolution reduce its capital in such manner as authorized by the Act.
13. The Company may, subject to the provisions of the Act, pay a commission to any person subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company but so that, if the commission shall be paid or be payable out of capital, the statutory conditions and requirements if any in relation thereto, shall be observed and complied with and the commission shall not exceed ten percent of the value of the shares in each case subscribed or to be subscribed. Such commission may be satisfied in whole or in part by the allotment (if so agreed) of fully or partly paid shares. The Company may also on any issue of shares pay such brokerage as may be lawful.

#### **VARIATION OF RIGHTS**

14. Whenever the shares of the Company are divided into different classes, the special rights attached to any class may subject to the provisions of the Act be varied or abrogated only with the sanction of a Special Resolution passed at a separate General Meeting of the holders of such shares (but not otherwise), and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a Winding Up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company or to the proceedings thereat, shall mutatis mutandis apply.
15. Except as required by law or otherwise permitted by the Act, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these presents provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

#### **CERTIFICATES**

16. (i) Every person whose name is entered as a Member in the Register of Members 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 or in the case of shares quoted

on the Colombo Stock Exchange within such period as may be stipulated by the Colombo Stock Exchange) 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, each for one or more of his shares of any one class. Where a Member 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 and bear the signatures of at least one Director and the Secretary, or such other person as may be authorized by the Directors, and shall specify the shares to which it relates, and the amount paid up thereon. Provided that the Company shall not be bound to register more than three persons as the joint-holders of any shares (except in the case of executors or trustees of a deceased member), 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.

- (ii) Where the Directors so resolve, one of the signatures in witness of the Seal upon share or debenture certificates issued by the Company according to the provisions of these Articles, may, with the approval and subject to the control of the auditors, transfer auditors or bankers of the Company, be in the form of an autographic signature stamped or printed or impressed thereon.
17. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of such fee (if any) as may be determined by the Directors from time to time, and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in investigating evidence as the Directors think fit.

#### **CALLS ON SHARES**

18. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares and not by the terms of issue thereof made payable at fixed times, provided that no call on any share shall exceed one-fourth of the consideration payable on the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to at least twenty days' notice being given specifying the time or times and place of payment) pay to the Company at the time or times specified, the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
19. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be made payable by instalments.
20. The joint-holders of shares shall be jointly and severally liable to pay all calls in respect thereof.
21. If a sum called in respect of a share is not paid before or on the date appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate as the Directors may determine at the time of issue of such shares, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

22. Any sum which by the terms of issue of a share becomes payable upon allotment, or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
23. The Directors may, subject to the provisions of the Act and these presents, on the issue of shares, differentiate between the holders as to the amount of calls to be paid, and the time of payment.
24. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of a call shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made. In respect of the moneys paid in advance of calls, on so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate as the Member paying such sum and the Directors agree upon.

#### **FORFEITURE AND LIEN**

- 25 (i). If a Member fails to pay in full any call or instalment of a call on the day appointed for the payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.
  - (ii). The notice shall name a further day (not being less than twenty-eight days from the date of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that in the event of non-payment in accordance therewith, the shares on which the call was made will be liable to be forfeited.
26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at anytime thereafter (before payment of all calls and interest and expenses due in respect thereof has been made), be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
27. A share so forfeited or surrendered shall become the property of the Company and may be sold re-allotted or otherwise disposed of, either to the person who was before such forfeiture, or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorize some person to transfer a forfeited or surrendered share to any such other person as aforesaid.
28. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay the Company all moneys which as at the date of forfeiture or surrender were presently

payable by him to the Company in respect of the shares, with interest thereon at such rate as the Directors may approve from the date of forfeiture or surrender until payment but the Directors may waive payment of such interest either wholly or in part.

29. The Company shall have a first and paramount lien on every share not being a fully paid share for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share, and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid shares) standing registered in the name of a single Member for all the debts and liabilities in the name of a single of such Member or his estate to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest in any person other than such Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends payable thereon. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article.
30. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of twenty eight days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
31. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorize some person to transfer the shares sold to the purchaser.
32. A declaration in writing under oath or affirmation that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate of proprietorship of the share under seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of on-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time, on account of the consideration payable on the share, as if the same had been payable by virtue of a call duly made and notified.

## **TRANSFER OF SHARES**

34. Subject to such of the restrictions in these presents as may be applicable, any Member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the Directors may approve and may be under hand only.
35. The instrument of transfer of a share shall be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
36. The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of shares (not being full paid shares) to a person of whom they shall not approve and they may also decline to register any transfer of shares (not being fully paid shares) on which the Company has lien. If the Directors refuse to register a transfer, they shall within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal or where such shares are quoted on the Colombo Stock Exchange they shall within such period as may be stipulated by the Colombo Stock Exchange send the notice of refusal to such persons as stipulated by the Rules of the Colombo Stock Exchange.
37. The Directors may decline to recognize any instrument of transfer unless:
  - (i) The instrument of transfer properly stamped is deposited at the Office or such place as the Directors may appoint accompanied by the Certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do), and
  - (ii) The instrument of transfer is in respect of only one class of share.

All instruments of transfer which have been registered shall be retained by the Company.

- 38(i). Notwithstanding anything to the contrary in these Articles, so long as the securities of the Company are quoted on a licensed Stock Exchange, the Directors may register without assuming any liability therefor any transfer of securities which is in accordance with the rules and regulations in force for the time being and from time to time and as laid down by such licensed Stock Exchange and/or any agency whose primary object is to act as Central Depository for such Exchange.
- (ii) Notwithstanding anything to the contrary in these Articles, the securities of the Company quoted on the Colombo Stock Exchange shall be freely transferable and registration of the transfer of such quoted securities shall not be subject to any restriction, save and except to the extent required for purposes of compliance with statutory requirements.

## **REGISTRATION OF TRANSFERS**

39. The Directors may by such means as they shall deem expedient authorize the registration of transfers or transmissions of shares without the necessity of any meeting of the Directors for that purpose.
40. The Company may after notice published in the Gazette and in any newspaper circulating in the district of Colombo, suspend the registration of transfers and close the Register of Members for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended or the Register of Members closed for more than thirty working days in any year.
41. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share or for making entry in the Register of Members affecting the title to any share, such fee, as the Directors may from time to time require or prescribe.
42. Nothing herein contained shall preclude the Directors from recognizing a renunciation of the allotment of any share by the allottee thereof in favour of some other person.

## **TRANSMISSION OF SHARES**

43. In the case of the death of a Member the survivors or survivor where the deceased was a joint-holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognized by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any security solely or jointly held by him.
44. Any person becoming entitled to securities in consequence of the death or bankruptcy of any member, upon producing proper evidence of the grant of probate or letters of administration or such other evidence that he sustains the character in respect of which he proposes to act under this clause, or of his title, as the Directors think sufficient, may, with the consent of the Directors, be registered as a member in respect of such securities or may subject to the regulations as to transfers herein-before contained, transfer such shares. The Directors shall have the same right to refuse to register a person entitled to any shares by transmission in terms of this clause or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.
45. A person becoming entitled to securities in consequence of the death or bankruptcy of a Member may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to meetings of the Company, or save as otherwise provided by or in accordance with these presents, to any of the rights or privileges of a Member until he shall have become a Member in respect of the securities.

## **GENERAL MEETINGS**

46. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. The Annual General Meeting shall be held not

later than six months after the Balance Sheet date of the Company and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.

All General Meetings other than the Annual General Meetings shall be called Extra-ordinary General Meetings. The Directors may whenever they think fit, convene an Extraordinary General Meeting.

### **NOTICE OF GENERAL MEETINGS**

- 47 (i) An Annual General Meeting and any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company, shall be called by fifteen working days notice in writing at the least and any other General Meeting by ten working days notice in writing at the least, (exclusive in either case of the day on which it is served or deemed to be served and of the day for which it is given) given in manner hereinafter mentioned to such Members as are under the provisions of these presents entitled to receive such notice from the Company and to the Auditors.

Provided that a General Meeting notwithstanding that it has been called by shorter notice than that specified above shall be deemed to have been duly called if it is agreed –

- (a) In the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; and
  - (b) In the case of any other meeting, by the members having the right to attend and vote at the meeting, being members together holding shares which carry not less than ninety-five per centum of the voting rights, on each issue to be considered and voted on at that meeting.
- (ii) Notice of every General Meeting shall be given in any manner herein authorised to-
- a) every Member except those Members who (having no registered address within Sri Lanka) have not supplied to the Company an address within Sri Lanka for the giving of Notices to them;
  - b) every person upon whom the ownership of a share devolves by reason of his being a legal representative or a trustee in bankruptcy or insolvency of a Member where the Member but for his death or bankruptcy would be entitled to receive Notice of the meeting;
  - c) the auditors for the time being of the Company.

No other person shall be entitled to receive Notices of General Meetings. 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.

48. (i) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting, and there shall appear with reasonable prominence in every such Notice a statement

that a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies, to attend and vote instead of him and that a proxy need not be a Member of the Company.

- (ii) In the case of an Annual General Meeting of the Company the notice shall also specify the meeting as such.
  - (iii) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.
49. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say-
- (a) Considering the Balance Sheet, the Report of the Directors and Auditors, and other accounts and documents required to be annexed to the Balance Sheet;
  - (b) Appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed;
  - (c) Electing Directors in place of those retiring by rotation or otherwise;
  - (d) Approving Donations
50. The Directors shall on the requisition of Members holding (at the date of deposit of the requisition) shares which carry not less than ten per centum of the votes which may be cast on an issue, and upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company to consider and vote on that issue in accordance with the provisions of Section 134 of the Act in relation thereto.
51. A resolution in writing signed by not less than eighty five per centum (85%) of the Shareholders who would be entitled to vote on a resolution at a meeting of Shareholders (including an Annual General Meeting), who together hold not less than eighty five per centum (85%) of the votes entitled to be cast on that resolution, shall be valid as if such resolution had been passed at a General Meeting of those Shareholders.

#### **PROCEEDINGS AT GENERAL MEETINGS**

52. No business shall be transacted at any General Meetings unless a quorum is present when the meeting proceeds to business. Three Members present in person or by proxy or attorney or (in the case of a corporation) by an authorized representative, shall be a quorum for all purposes.
53. (i). If within fifteen minutes from the time appointed for the Meeting, a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the Meeting, the Members present (if more than one) shall be a quorum.

- (ii) A Resolution passed at an adjourned Meeting of the Company shall for all purposes be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.
54. The Chairman or Deputy-Chairman (if any) of the Directors shall preside as Chairman at every General Meeting. If there be no such Chairman or Deputy Chairman, or if at any Meeting he be not present within five minutes after the time appointed for holding the Meeting or be unwilling to act, the Directors present shall choose one of their number to be Chairman of the Meeting or, if no Director be present or if all the Directors present decline to take the Chair, the Members present shall choose one of their number present to be Chairman of the Meeting.
55. The Chairman of the Meeting may, with the consent of any Meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a Meeting is adjourned for thirty days or more, Notice of the adjourned Meeting shall be given as in the case of an original Meeting. Save as aforesaid, it shall not be necessary to give any Notice of an adjournment or of the business to be transacted at an adjourned Meeting.
56. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by-
- (i) The Chairman of the meeting; or
  - (ii) Not less than five persons present in person or by attorney or representative or by proxy and entitled to vote; or
  - (ii) A Member or Members present in person or by attorney or representative or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting.

A demand for a poll may be withdrawn. Unless a poll be demanded (and the demand be not withdrawn) a declaration by the Chairman of the Meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

57. If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the Meeting may direct, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may (and if so requested shall) appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

58. In the case of an equality of votes, whether on a show of hands or poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
59. A poll demanded on the election of a Chairman of the Meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.
60. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

### **VOTES OF MEMBERS**

61. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member who (being an individual is present in person or by proxy or attorney who is not a member or (being a corporation) is present by a representative or proxy or attorney who is not a member, shall have one vote. Subject as aforesaid upon a poll every member who is present in person or by proxy or by attorney or by representative shall be entitled to one vote for each share held by him.
62. In the case of joint-holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders, and for this purpose seniority shall be determined by the order in which the name stands in the Register of Members in respect of the joint holding.
63. A Member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll, by his committee, *curator bonis* or other person in the nature of a committee or curator bonis appointed by such court, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty eight hours before the time appointed for holding the Meeting or adjourned Meeting at which such person claims to vote, or in the case of a poll not less than forty-eight hours before the time appointed for the taking of the poll.
64. Unless otherwise determined by the Terms of Issue, no Member shall be entitled to vote at a General Meeting either personally or by proxy, or to exercise any privilege as a Member unless all calls or other sums presently payable by him in respect of shares have been paid.
65. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting, whose decision shall be final and conclusive.
66. On a poll votes may be given either personally or by proxy or by attorney or by representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

67. An instrument appointing a proxy shall be in writing and –
- (i) In the case of an individual shall be signed by the appointor or by his attorney; or in the case of a corporation shall be either under the common seal or signed by its attorney or by an officer authorised to do so on behalf of the corporation. The Company may, but shall not be bound to require evidence of the authority of any such attorney or officer.
  - (ii) A proxy need not be a Member of the Company.
68. The instrument appointing a proxy shall be lodged and the power of attorney (if any) under which it is signed, or a notarially certified copy of such power, shall if required be deposited for inspection at the Office, in each case not less than forty eight hours before the time appointed for holding the Meeting or adjourned Meeting, or in the case of a poll before the time appointed for the taking of the poll at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
69. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

**AITKEN SPENCE HOTEL HOLDINGS PLC**

I/We ..... of ....., being a Member/Members of the above-named Company, hereby appoint, ..... of ..... or failing him, ..... of ....., as my/our proxy to represent me/us, to speak and vote whether on a show of hands or on a poll for me/us and on my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the ..... day of ..... 20 ..... and at any adjournment thereof.

Signed this ..... day of ..... 20.....

70. (i) Any form of proxy issued by the Company may in the case of a Meeting at which special business is to be transacted be so worded that a Member may direct his proxy to vote either for or against any of the resolutions to be proposed.
- (ii) The proxy shall be deemed to include the right to demand, or join in demanding a poll.
  - (iii) An instrument appointing a proxy whether in the usual common form or not, shall unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.
71. (i). A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

- (ii) Notwithstanding anything to the contrary, in the event of the Appointor of the Proxy (the Principal) attending the Meeting, the authority of the Proxy to attend, vote and/or in any way participate at the Meeting shall stand automatically cancelled and revoked.

### **CORPORATIONS ACTING BY REPRESENTATIVE**

72. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company.

### **DIRECTORS**

73. The Directors shall not be less than two or more than 10 in number.
74. The shareholding qualification for a Director may be fixed by the Company in General Meeting and unless and until so fixed, no qualification shall be required.
75. The remuneration of the Directors (excluding any remuneration payable under any other provision of these presents) shall be such sum as the Board shall determine, and such remuneration shall be divided amongst the Directors in such manner as they shall from time to time determine and shall accrue *de die in diem*.
76. The Board may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors, or of committees of the Directors, or General Meetings, or which he may otherwise incur in or about the business of the Company, or may pay to any Director such allowances as the Board thinks proper in respect of such expenses.
77. Any Director who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Directors may determine.
78. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company, or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable for any remuneration or other benefits received by him as a director or officer of, or from his interest in such other company. The Directors may utilize the voting power on any shares or securities in any such company as aforesaid for the purpose of fixing the remuneration of the directors of such company or any of them.
- 79.(i) The Directors may from time to time appoint one or more of their body to be holder of any executive office, including the office of Chairman or Deputy Chairman or Chief Executive or Managing or Joint Managing Director or Manager on such terms and for such period as they may determine. A Director so appointed shall not whilst holding that office require any qualification or be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors.

- (ii) The appointment of any Director to the office of Chairman or Deputy Chairman or Chief Executive or Managing or Joint Managing Director or Manager or any other Executive Office shall be subject to termination if he ceases from any cause to be a Director, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.
- 80. The Directors may entrust to and confer upon an Executive Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- 81. An Executive Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine.

#### **APPOINTMENT, RETIREMENT, REMOVAL AND VACATION OF OFFICE OF DIRECTORS**

82. The office of a Director shall be vacated in any of the following events, namely -
- (i) If he becomes prohibited by law from acting as a Director including
    - a) If he is convicted of any offence under the statutes punishable by imprisonment; or
    - b) If he is convicted of any offence involving dishonest or fraudulent acts whether in Sri Lanka or elsewhere;
  - (ii) If he resigns by writing under his hand left at the Office;
  - (iii) If he ceases to hold office in terms of Section 207 of the Act;
  - (iv) If he becomes disqualified from being a Director in terms of Section 202 of the Act;
  - (v) If he be absent from Meetings of the Directors for three months without leave, and the Directors resolve that his office be vacated;
  - (vi) If he be requested in writing by all his co-Directors to resign;
  - (vii) If he be removed from office by a Resolution of the Company under the provisions of the Act or these presents;
  - (viii) If he is over seventy (70) years of age when being considered for appointment or otherwise reaches the age of seventy (70) whilst serving as a Director of the Company

and has not been appointed to hold office or otherwise continue in office in accordance with the provisions of the Statutes in relation thereto.

83. At each Annual General Meeting one-third of the Directors for the time being, or if their number is not a multiple of three the number nearest to (but not greater than) one-third shall retire from office. Provided that a Director appointed to the office of Chairman, Chief Executive, Managing or Joint Managing Director shall not, while holding that office, be subject to retirement by rotation or be taken into account in determining the Directors to retire in each year. A Director retiring at a meeting shall retain office until the close of the meeting including any adjournment thereof.
84. The Directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their last election or appointment, but as between persons who became or were last re-elected Directors on the same day the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
85. The Company at the meeting at which a Director retires in manner aforesaid shall fill the vacated office by electing a person thereto, and in default the retiring Director shall be deemed to have been re-elected, unless -
  - (i) at such meeting it is expressly resolved not to fill such vacated office, or a resolution for the re-election of such Director is put to the meeting and lost; or
  - (ii) such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
  - (iii) the default is due to the contravention of the next following Article.
86. Except as otherwise provided by the Statutes, a motion for the appointment of two or more persons as Directors by a single resolution shall not be made at any General Meeting unless a resolution that it shall be so made has first been agreed to by the Meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
87. No person other than a Director retiring at the Meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting, unless not less than fourteen nor more than twenty-eight days before the day appointed for the Meeting there shall have been left at the Office notice in writing signed by a Member duly qualified to attend and vote at the Meeting for which such notice is given, of his intention to propose such person for election, and also an intimation in writing signed by the person to be proposed, of his willingness to be elected.
88. The Company may by Ordinary Resolution of which special notice has been given, remove any Director before the expiration of his period of office, notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement.

89. The Company may by Ordinary Resolution of which special notice has been given appoint another person in place of a Director removed from office under the last preceding Article, and any person so appointed hereunder shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.
90. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at anytime exceed the maximum number fixed by or in accordance with these presents. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election.

### **PROCEEDINGS OF DIRECTORS**

91. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Meetings may also be held by teleconference, videoconference or by any other electronic means. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may and the Secretary on the requisition of a Director shall, at anytime summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Sri Lanka. Notice of Meetings may be sent by electronic means.
92. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

### **TRANSACTIONS IN WHICH A DIRECTOR IS INTERESTED**

93. (1). A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall forthwith declare the nature of his interest in accordance with the provisions of the Act.
- (2). (a) Save as by the next following Article otherwise provided and subject to the provisions of the Act, a Director shall not vote in respect of any contract or arrangement in which he is interested (and if he shall do so his vote shall not be counted), nor shall he be counted in the quorum present at the meeting for the purpose of any resolution regarding the same. This Article shall however not apply to –
- (i) Any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or
- (ii) Any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by deposit of a security; or
- (iii) Any contract by him to subscribe for or underwrite shares or debentures of the Company; or

- (iv) Any contract or arrangement with any other company or firm in which he is interested only as a director or partner or other officer or creditor of or as a shareholder beneficially interested in the shares of that company.
  - (b) The provisions of this Article may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction. However, any particular contract, arrangement or transaction, carried out in contravention of this Article may be ratified by Ordinary Resolution of the Company.
94. A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to these presents, or whereat the terms of any such appointment or arrangement as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.
95. The provisions of the Act relating to transactions in which a Director is interested shall apply to the Company in so far as these Articles have not made specific provision therefor.
96. Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorize a Director or his firm to act as auditors to the Company.
97. (i). The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents the continuing Directors may act for the purposes of filling up vacancies or of summoning General Meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors.
- (ii) Notwithstanding anything to the contrary, where the number of Directors of the Company is reduced to one, such sole Director shall not resign from office until he has called a Meeting of Shareholders to receive notice of his resignation and to appoint one or more Directors to the Company. The terms of the notice of resignation given by such sole Director shall not take effect until the date of the Meeting of Shareholders herein referred to.
98. The Directors may appoint and remove a Chairman and Deputy Chairman of their meetings and may determine the period for which they are to hold office. If no Chairman or Deputy Chairman shall have been appointed, or if at any meeting the Chairman or Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the Meeting.
99. A resolution in writing signed by the majority of the Directors for the time being in Sri Lanka (provided such number of Directors in Sri Lanka shall constitute a valid quorum of Directors

as hereinbefore set out) shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors.

100. Other than the powers exercisable exclusively by the Directors as set out in the Sixth Schedule of the Act, the Directors may delegate any of their powers to committees consisting of such member or members of their body and either with or without such other persons, as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.
101. The meetings and proceedings of any such committee shall be governed by the provisions of these presents regulating the meetings and proceedings of Directors, so far as the same are applicable and are not superseded by any provision in the Act or regulations made by the Directors under the last preceding Article.
102. All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the Committee and had been entitled to vote.

#### **ALTERNATE DIRECTORS**

103. (i). Any Director 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 and the following provisions of this Article shall apply to any person so appointed.
  - (ii) A person appointed to be an Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company nor be required to hold any share qualification but the Directors may repay the Alternate Director such reasonable expenses as he may incur in attending and returning from meetings of the Directors which he is entitled to attend or which he may otherwise properly incur in or about the business of the Company or may pay such allowances as they may think proper in respect of these expenses.
  - (iii) An alternate Director shall (on his giving an address for such notices to be served upon him) be entitled to receive notices of all meetings of the Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director in the absence of such appointor.
  - (iv) An Alternate Director may be appointed for a specified period or until the happening of a specified event but he shall ipso facto cease to be an Alternate Director in any of the following events, that is to say:-
    - (a) upon the Appointors resumption of duties as a Director ;

- (b) if his Appointor ceases for any reason to be a Director: Provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;
  - (c) if the Alternate Director shall have a receiving order made against him or compounds with his creditors or is adjudicated an insolvent;
  - (d) if the Alternate Director be lunatic or becomes of unsound mind;
  - (e) if the appointment of the Alternate Director is revoked by notice in writing left at the office by his Appointor;
  - (f) if a majority of the Directors resolve that the appointment of the Alternate Director be terminated: Provided that such termination shall not take effect until the expiration of thirty days after the date of the resolution of the Directors;
  - (g) if he becomes subject to any of the provisions of Article 82 of these presents which, if he were a Director of the Company, would render his office vacated.
- (v) A Director shall not vote on the question of the approval of an Alternate Director to act for him or on the question of the termination of the appointment of such an Alternate Director under the last foregoing sub-clause of this Article, and if he do so his vote shall not be counted; nor for the purpose of any resolution for either of these purposes shall he be counted in the quorum present at the meeting.

### **BORROWING POWERS**

104. The Directors may exercise all the powers of the Company to borrow money, and may (a) mortgage or charge its undertaking, property and uncalled capital, and (b) 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; Provided that the aggregate amount at any one time outstanding of moneys borrowed by the Company exclusive of-

- i. Any temporary borrowing secured or unsecured from bankers or others in the ordinary course of business to meet temporary requirements on account of produce or merchandise;
- ii. Moneys borrowed with or without security for the purpose of conversion, redemption, renewal or payment off of previously existing debentures, debenture stock or other loan capital;

shall not without the previous sanction of a Special Resolution of the Company exceed –

- i. twenty times the Stated Capital of the Company for the time being; or

- ii. half the value of the assets of the Company as at the date of the last available audited Balance Sheet of the Company; whichever is lesser.

But nevertheless no person dealing with the Company shall be concerned to see or inquire whether these limits are observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the limit hereby imposed had been or would thereby be exceeded.

### **GENERAL POWERS OF DIRECTORS**

105. The business of the Company shall be managed by the Directors either by themselves or through a Managing Director, joint Managing Director or General Manager and with the assistance of an Agent or Agents and Secretary or Secretaries of the Company to be appointed by a Resolution of the Directors, for such a period and upon such terms as they shall think fit with power to determine such appointment as provided by the terms of such appointment or in default of such provision by a like Resolution of the Directors. The Directors shall have power to make and may make such rules and regulations for the management of the business and property of the Company as they shall from time to time think proper and shall carry on the business of the Company in such manner as they may think most expedient.
106. The Directors may exercise all such powers of the Company as are not by the Act or by these presents required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Ordinary Resolution of the Company. No regulations so made by the Company shall however invalidate any prior act of the Directors which would have been valid if such regulation had not been made: Provided however that the Directors shall not without the authority of a Special Resolution of the Company-
  - a) Arrange terms for the amalgamation or otherwise implement the amalgamation of the Company with any other company or individual;
  - b) Reduce the Company's Stated Capital;
  - c) Resolve that the Company be Wound Up in terms of Section 319 of the Act;
  - d) Change the Name or Status of the Company ;
  - e) Enter into or otherwise carry out any 'Major Transaction' as defined in Section 185(2) of the Act.
- 107.(i). The Directors may establish and make contributions or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any provident funds, schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following sub-paragraph shall include any Director ) and ex-employees of the Company and their widows and dependents or any class or classes of such persons.

- (ii) The Directors may, subject to such terms and conditions if any, pay, enter into agreements to pay or make grants of revocable or irrevocable, pensions or other benefits to employees and ex-employees and their widows and dependents or to any of such persons including pensions or benefits additional to those (if any) to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as mentioned in the last preceding sub-paragraph. Any such pension or benefit may, as the Directors consider desirable, be granted to an employee either before or in anticipation of, or upon or at anytime after his actual retirement.
108. The Directors shall be authorised to open and operate upon local and/or foreign currency banking accounts on such terms and conditions as may be thought fit and generally to sign, draw upon, accept, endorse or otherwise execute all cheques, promissory notes, drafts, bills of exchange and/or other negotiable instruments as the case maybe, in such manner as the Directors shall from time to time by resolution determine.
109. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the loses of any branch or business so carried on and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as directors, executive directors or managers or other officers of any such company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed.
110. The Directors may establish any Local Boards or Agencies for managing any of the affairs of the Company, either in Sri Lanka or elsewhere, and may appoint on such terms and conditions any persons to be members of such Local Boards, or any Managers or Agents, and may fix their remuneration, and may subject to applicable provisions of the Act if any and on such terms and conditions, delegate to any Local Board, Manager or Agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate and may authorise the members of any Local Boards, or any of them to fill any vacancies therein, and to act notwithstanding vacancies, and the Directors may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such removal, annulment or variation shall be affected thereby.
111. The Directors may from time to time and at any time by power of attorney under seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such Attorney or Attorneys as the Directors may think fit, and may also authorise any such Attorney or Attorneys to sub-delegate all or any of the powers, authorities and discretions vested in him.
112. The Company may have an official seal for use abroad, and such seal shall be used in the manner and for the purposes authorized and approved by the Directors.

113. The Company or the Directors on behalf of the Company, may in the exercise of the powers in that behalf conferred by the Act cause to be kept a branch register or register of members and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit respecting the keeping of any such register.

#### **MINUTES**

114. The Directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all the appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
  - (c) of all resolutions and proceedings at all Meetings of the Company, and of the Directors, and of committees of Directors;

and every Director present at any meeting of Directors or committee of Directors shall sign his name in a book to be kept for that purpose.

#### **SECRETARY**

115. (i). The Directors shall appoint on such terms and conditions and at such remuneration as may be agreed upon, a person, firm or company qualified in accordance with the terms of the Act to be the Company Secretary. The Directors may also (where they appoint an individual as the Secretary) appoint and employ any other person as Assistant Company Secretary.
- (ii) The duties of the Secretary shall, unless otherwise determined by the Board include:
- a) Keeping all records and registers required by the Statutes to be kept by the Company;
  - b) Recording and maintaining the minutes required by the preceding Article or otherwise as required by these presents or as prescribed by the Act;
  - c) Perform any other functions which by these presents are to be performed by the Secretary and generally to execute all other duties which may from time to time be assigned by the Directors to the Secretary.

#### **SEAL**

116. 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 authorised by the Directors in that behalf. The seal of the Company shall not be affixed to any deed, certificate for shares, stock, debenture-stock or other form of security (other than Letters of Allotment or Scrip Certificates) or other instrument except in the presence of two or more of the Directors or of one Director and the Agent and / or Secretary of the Company who shall attest the sealing thereof; such attestation on the part of the Agent and /or Secretary in the event of a firm

being the Agents and/or Secretaries being 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 Agents and/or Secretaries and in the event of a company being the Agent and / or Secretary being signified by a director or the secretary or the duly authorised agent of such company signing for and on behalf of such company as Agent and/or Secretary. The sealing shall not be attested by one person in the dual capacity of director and representative of the Agent and /or Secretary. Any document sealed in accordance with the provisions of this Article shall be presumed to have been duly executed by the Company.

#### **AUTHENTICATION OF DOCUMENTS**

117. Any Director or the Secretary or the Assistant Secretary (if any) or any person appointed by the Directors for the purpose shall have the power to authenticate any documents affecting the constitution of the Company (including the Articles of Association) and any resolutions passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or the officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

#### **DIVIDENDS**

- 118.(i). Subject to the provisions of the Act, the Directors may recommend and declare a Distribution by way of Dividend, whether interim or final and whether by way of cash or by the distribution of specific assets, provided always however that the same is from and out of the profits of the Company as determined by reference to acceptable accounting practices.
- (ii) The Directors shall be empowered in respect of dividend payments approved by them to issue a scrip dividend either wholly or partly by the allotment of shares credited as fully paid subject to the provisions of the Statutes.
- (iii) The Directors shall not authorize or otherwise declare a dividend in respect of some shares in a class and not others of that class; or of a greater amount in respect of some shares in a class and not other shares in that class, except where -
- (a) the amount of the dividend is reduced in proportion to any liability attached to the shares under the Company's Articles; or
  - (b) a shareholder has agreed in writing to receive no dividend or a lesser dividend than would otherwise be payable.
119. Subject to any applicable accounting regulations and/or provisions in the Act, any income derived from 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.
120. Subject to the provisions of the Act, the Directors may pay a dividend or otherwise make a distribution in whole or in part by the distribution of specific assets and in particular of paid-up shares or debentures of the Company or of any other company or in any one or more of

such ways; Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for the distribution of such specific assets or any part thereof and may determine that a cash payment shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

121. Subject to the rights of persons if any, entitled to shares with special rights or such other special terms with regard to dividend, all dividends shall be declared and paid equally on all fully paid shares in respect whereof the dividend is paid (without reference to the consideration paid per share) and in respect of shares subject to calls, the entitlement to the dividend shall be prorated to the percentage value of the amount in fact paid on the share (with reference to the total amount payable on the share) at the time of the declaration of such dividend. For purposes of this Article only, no amount paid on a share in advance of calls shall be treated as paid on the share). is 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.
122. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay fixed cumulative preferential dividends on any class of share 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 they think fit.
123. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
124. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently due and owing from hi m to the Company on account of calls or otherwise.
125. The Directors may retain any dividend or other moneys 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.
126. The Directors may retain the 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 shall become a Member in respect of such shares or shall duly transfer the same.
127. The payment by the Directors 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 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 Directors for the benefit of the Company until claimed.

128. Any dividend or other moneys payable in cash on 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 member or person, or if several persons are registered as joint- holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any of such persons or to such person at such address as such person/s may by 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 person or persons entitled to the share in consequence of the death or bankruptcy of the holder and payment of the cheque or warrant if purporting to be endorsed or signed by way of receipt shall be a 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.
129. If several persons are registered as joint- holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

### **RESERVES**

130. Subject to the provisions of the Act, the Directors may, before recommending any dividend, set aside, out of the profits of the Company, such sums as they think proper as a reserve fund to meet contingencies or for equalizing dividends, or for special dividends, or for repairing , improving , and maintaining any of the property of the Company, and for such other purposes as the Directors shall in their discretion think conducive to the interests of the Company; including investing any part of the sums so set aside upon such investments (other than in shares of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company. The Directors may divide the reserve fund into such special funds as they think fit and may employ the reserve fund or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets. The Directors may also without placing the same to reserve carry forward any profits which they may think not prudent to divide.

### **CAPITALISATION OF PROFITS AND RESERVES**

- 131.(i) The Directors may in the exercise of their powers and having regard to the Company's Accounts and other Financial information resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's Reserve Accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or for distributing, credited as fully paid, shares of a value determined by the Directors based on accepted accounting principles, or debentures or securities of the Company to and amongst such members in the proportion aforesaid or partly in the one way and partly in the other and the Directors shall give effect to such resolution.
- (ii) Pursuant to the foregoing, the Directors shall make all the appropriations and applications of the undivided profits to be capitalised thereby, and all allotments and issues of fully paid

shares, debentures or securities, as the case may be, and generally shall do all acts and things required to give effect thereto including the issue of fractional certificates or otherwise the sale of all or a part of such fractions as the case may be. The Directors shall also have the power to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up of any shares to which they may be entitled to upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the amount resolved to be capitalized or any part of the amounts remaining unpaid on their existing shares or for appointing any person to sign transfers of shares to avoid fractional certificates. Any agreement made under such authority shall be effective and binding on all such members.

### **REGISTERS**

132. The Company shall keep the following Registers:
- a) The Register of Members and Debenture holders
  - b) The Register of Directors and Secretaries
  - c) The Register of Share Transfers
  - d) The Register of Mortgages and Charges
  - e) The Interests Register

### **ACCOUNTS**

133. The Directors shall cause to be kept such books of accounts as are necessary to comply with the provisions of the statutes. The Directors shall ensure that such records:
- a) correctly record and explain the Company's transactions;
  - b) enable the financial position of the Company to be determined at any time with reasonable accuracy;
  - c) enable the Directors to prepare financial statements in accordance with the Act;
  - d) enable the Financial Statements of the Company to be readily and properly audited.
134. The books of accounts shall be kept at the Office, or at such other place in Sri Lanka as the Directors think fit or with the prior approval of the Registrar General of Companies at such place outside Sri Lanka. The accounting records and Financial Statements of the Company shall be open to the inspection of any of the Directors to the extent and in the manner permitted under Section 118 of the Act and to any Member to the extent and in the manner permitted under Section 119 of the Act..

135. The Directors shall in accordance with the provisions of the Act cause to be prepared within 6 months of the Balance Sheet date of the Company (or such other extended time as may be determined by the Registrar General of Companies under Section 150 of the Act), Financial Statements, Group Accounts if any and any Reports that may be necessary in compliance with the provisions of the Act including an Annual Report (signed in the manner prescribed) on the affairs of the Company during the accounting period ending on such Balance Sheet date.
136. A printed copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be annexed thereto,) together with a copy of every report of the Auditors relating thereto and of the Directors' report, shall not less than fifteen working days before the date of the meeting be sent to every Member of, and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these presents (provided that this article shall not require a copy of these documents to be sent to any person of whose address in Sri Lanka the Company is not aware or to more than one of the joint-holders, but any Member to whom a copy of these documents has not been sent, shall be entitled to receive a copy free of charge on application at the office).

Notwithstanding anything to the contrary and in accordance with Section 167 of the Act, the Company may, in the first instance, send every Shareholder the Annual Report together with the Financial Statements in the summarised form as may be prescribed, in consultation with the Institute of Chartered Accountants of Sri Lanka. The Company shall inform each Shareholder that he is entitled to receive, if he so requires, the full Financial Statement within a stipulated period of time.

#### **AUDIT**

137. At each Annual General Meeting the retiring Auditor shall, without any resolution being passed, be deemed to have been re-appointed until the conclusion of the next ensuing Annual General Meeting, unless-
- (i) He is not qualified for the re-appointment, or
  - (ii) A resolution has been passed at that meeting in accordance with the Act appointing some other person or firm instead of him or providing expressly that he shall not be so appointed or,
  - (iii) He has given to the Company notice in writing of his unwillingness to be re-appointed. In any such case the Company shall at such Meeting appoint some other person in lieu.
- 138.(i). The Directors shall have the power to fill a casual vacancy in the office of an Auditor by appointing some person or firm to hold such office until the conclusion of the next Annual General Meeting, but while any such casual vacancy continues the surviving or continuing Auditor (if any) may act.
- (ii) If at an Annual General Meeting no Auditor is appointed or re-appointed and no appointment is made pursuant to the preceding subsection, and a casual vacancy in the office of auditor is

not filled within one month of the occurring of such vacancy, the Registrar General of Companies may appoint an Auditor.

139. The remuneration of the Auditor shall be fixed, if the Auditor is appointed at a General Meeting, then by the meeting or in such manner as is determined at the meeting; or if the Auditor is appointed by the Directors, then as determined by the Directors.
140. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment, or that he was at the time of his appointment not qualified for appointment.
141. The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

### **NOTICES**

142. Every member whether resident in Sri Lanka or not shall furnish the Company with an address in Sri Lanka as the place to which any communication intended for him may be sent by the Company and which address shall be deemed to be his registered address for the purpose of these Articles.
143. Any notice or document (including a share certificate may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address, or (if he has no registered address within Sri Lanka) to the address, if any, within Sri Lanka supplied by him to the Company as his address for the service of notices. Where a notice or other document is served by post, service shall be deemed to be effective at the expiration of 24 hours after the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
144. In respect of joint holdings, all notices shall be given to that one of the joint-holders whose name stands first in the Register of members, and notice so given shall be sufficient notice to all the joint-holders.
145. A person entitled to a share in consequence of the death or bankruptcy of a Member, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within Sri Lanka for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the Member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these presents shall notwithstanding that such member be then dead or bankrupt, and whether or not the Company shall have had notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint-holder.

146. A Member who (not having registered with the Company an address within Sri Lanka) has not supplied to the Company an address within Sri Lanka for the service of notices, shall not be entitled to have sent to him notices of General Meetings.
147. If a Member has no registered address in Sri Lanka, and has not supplied to the Company an address in Sri Lanka for the giving of notices to him, a notice posted up in the registered office of the Company shall be deemed to be duly given to him at the expiration of 24 hours from the time when it is so posted up.
148. Any notice required to be given by the Company to a Member or any of them and not expressly provided for by these Articles, shall be sufficiently given if given by advertisement.
149. Any notice required to be or which may be given by advertisement shall unless otherwise required by the Act, be advertised once in the Sinhala, Tamil and English National daily newspaper.
150. Notwithstanding anything in these Articles contained the Directors may if they so determine, and at the cost and expense of the Company, cause any notice or circular to members to be sent by air mail to the address outside Sri Lanka of all such members of whose address outside Sri Lanka the Company or its Secretaries and or Agents and Secretaries shall be aware and that whether or not the member shall have registered an address in Sri Lanka or shall have been sent such notice or circular to his address in Sri Lanka. A notice so sent by airmail; shall be deemed to have been served within 24 hours after the posting of the same. Nothing in this Article contained shall entitle a member who has not registered or supplied an address in Sri Lanka to have notices sent to him to an address outside Sri Lanka of any General Meeting of the Company.

#### **ADMINISTRATORS**

151. The Directors may in accordance with the provisions of the Act appoint an Administrator of the Company where the Directors consider that the Company is or is likely to become unable to pay its debts as they fall due and the appointment of such Administrator will likely achieve one or more of the purposes as set out in Section 401(2) of the Act.

#### **WINDING UP**

152(i). The Company may be Wound Up –

- (a) by the Court
- (b) Voluntary; or
- (c) Subject to the supervision of the Court;

And the provisions of the Act shall apply to the Winding Up of the Company.

- (ii) Subject to any applicable provisions in the Terms of Issue of Shares and the Act, any surplus assets of the Company shall be distributed amongst the Members in proportion to the number

of shares held by each such member, after all Creditors of the Company have been paid, all costs, charges and expenses of Winding Up including the remuneration of the Liquidators have been met and all preferred and other debts satisfied.

#### **INSURANCE AND INDEMNITY**

- 153(i). The Company may indemnify a Director or employee of the Company or a related 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 judgement 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 Act.
- (ii) The Company may also indemnify a Director or employee of the Company or a related Company in respect of-
- a) liability to any person other than the Company or a related company for any act or omission in his capacity as a director or employee; or
  - b) costs incurred by that Director or employee in defending or settling any claim or proceeding relating to any such liability, not being a criminal liability or in the case of a director, liability in respect of a breach of the duty specified in Section 187 of the Act.
- (iii) The Company may with the prior approval of the Directors effect insurance for any one or more of the Directors or an employee or employees of the Company or related company in respect of-
- a) liability not being criminal liability, for any act or omission in his capacity as a director or employee;
  - b) costs incurred by that director or employee in defending or settling any claim or proceeding relating to any such liability; or
  - c) costs incurred by that director or employee in defending any criminal proceedings in which he is acquitted.
154. So long as the Shares of the Company are quoted on the Colombo Stock Exchange, in the event of there being any discrepancy or other inconsistency between the rules and/or regulations of such Exchange and the provisions herein contained, the rules and/or regulations of the Exchange shall prevail and be applicable to the Company.