

ARTICLES OF ASSOCIATION

OF

NATIONS TRUST BANK PLC

PQ 118

(As adopted by Special Resolution passed on the 28<sup>th</sup> day of March, 2013)

1. (a) 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.
- (b) Notwithstanding anything to the contrary contained herein, the provisions of these Articles shall always be subject to the Banking Act No. 30 of 1988 and any amendments and or modifications thereto together with any regulations, directions, determinations and guidelines issued thereunder and the provisions of the Banking Act No. 30 of 1988 shall at all times supersede the provisions of any other law in force for the time being.

A. INTERPRETATION

2. In the interpretation of these Articles, the following words and expressions shall have the respective meanings given against each such word or expression unless such meanings are inconsistent with or repugnant to the subject or context.

“Articles” mean these Articles of Association, as may be amended from time to time.

“Board” and “Board of Directors” means the directors of the Company comprising not less than the required quorum acting together as a board of directors.

“Director” or “Directors” means a director or the directors (as the case may be) for the time being of the Company, including where the context so requires or admits alternate directors, and the directors assembled at a Board meeting.

“Dividend” means a distribution out of the profits of the Company.

“In writing” and “written” includes printing and other such modes of representing or reproducing words in a visible form.

“Month” means a calendar month.

“Listing Rules” means the Listing Rules of the Colombo Stock Exchange and all amendments as may be made thereto from time to time.

“**Presence or present**” with regard to a shareholder at a meeting means presence or present personally or by proxy or by attorney duly authorised.

“**Registered office**” means the registered office for the time being of the Company.

“**Shares**” mean shares issued by the Company.

“**Secretary**” includes any individual who possesses qualifications specified in the Banking Act and appointed by the Board to perform any of the duties of the secretary.

“**Stated capital**” means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of calls on shares.

“**the Act**” means and includes the Companies Act No. 7 of 2007 as amended or modified from time to time or another Act of Parliament enacted to govern companies.

“**the Banking Act**” means the Banking Act No. 30 of 1988 together with any amendments thereto or any regulations, rules, orders or directions made thereunder from time to time and every other Act or other legal enactment that may repeal, substitute and replace the Banking Act No.30 of 1988.

“**the Statutes**” means the Companies Act No.7 of 2007, Banking Act No. 30 of 1988 and Listing Rules of Colombo Stock Exchange all amendments thereto including all regulations, directions, determinations and guidelines issued there under and every other Act or Ordinance for the time being in force concerning companies and affecting the Company.

“**the Company**” means Nations Trust Bank PLC.

“**Year**” means a calendar year.

“**Working day**” means a day other than Saturday, Sunday or a public holiday.

In the interpretation of these Articles, words importing the masculine gender only shall include the feminine gender and words importing the singular number only shall include the plural number and vice versa 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.

## **B. OBJECTS OF THE COMPANY**

3. To carry on banking business as specified in the Schedule II of the Banking Act, in all its aspects and in particular but without prejudice to the generality of the foregoing the business of accepting deposits of money subject to withdrawal on demand by cheque, draft, order or otherwise and to carry on any other business or activity not prohibited by the Banking Act or any other law applicable to commercial banks in the Democratic Socialist Republic of Sri Lanka.

## **C. SHARES**

### **4. ISSUE OF SHARES**

- (1) The Board may issue such shares to such persons as it considers appropriate, in accordance with the provisions of the Act. Where the shares confer rights other than those specified in subsection (2) of Section 49 of the Act, or impose any obligation on the holder, the Board shall approve terms of issue which set out the rights and obligations attached to those shares.
- (2) Before the Company issues shares, the Board shall decide the consideration for which the shares may be issued. The consideration shall, in the opinion of the Directors, be fair and reasonable to the Company and to all existing shareholders.
- (3) Where the Company issues shares which rank equally with or above existing shares in relation to voting or distribution rights, those shares shall be offered to the holders of the existing shares in a manner which would, if the offer is accepted, maintain the relative voting and distribution rights of those shareholders unless the company by special resolution decides otherwise.
- (4) The said offer shall remain open for acceptance for a reasonable time. The Company may, at the time of making the said offer, request holders of the existing shares who desire an allotment of shares in excess of their respective proportions to state how many excess shares each such holder desires and if any holders of existing shares expressly decline to accept the whole of their respective proportions, the shares so declined may be allotted to those holders who desire an excess allotment in such numbers as the Directors decide or may be allotted and issued to such other persons as the Directors consider it appropriate.
- (5) The Board may, subject to and in accordance with the provisions of the rules and regulations in force for the time being and from time to time, of a licensed Stock Exchange,
  - (a) issue shares that may result in an increase or decrease of the number of shares issued by the Company pursuant to a decision of the Company to effect a sub division of existing shares into a greater number of, or a consolidation and division of shares into a lesser number of shares;
  - (b) issue shares pursuant to a capitalization of the reserves of the Company or by way of dividends; or
  - (c) issue shares to persons other than existing shareholders.
- (6) The board may at their discretion issue any shares to the Vendor (or the nominee of the Vendor) of any business acquired by the company in payment in whole or part of the purchase price for such business without offering the shares so issued to the existing holders of shares and without regard to the effects of such an offer to the relative voting and distribution rights of the holders of existing shares.
- (7) The provisions of paragraph 3 of this Article shall not apply to an issue of shares under paragraph 5 of this Article.

- (8) The Company shall, on an issue of shares in terms of paragraph 5 (c) above, obtain approval therefor of the holders of shares whose voting and distribution rights would be affected thereby, by way of a special resolution.
- (9) The Company may issue redeemable shares as decided by the Board at the time of such issue, which may be redeemed by the Company at the option of the Company or at the option of the holders of such shares or on a date specified by the Board, for a consideration that is specified by the Board at the time of issue or at a sum to be calculated by reference to a formula or fixed by a suitably qualified person, who is not associated with or interested in the Company, as decided by the Board at the time of issue.
- (10) The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolute or conditional) for any shares in the company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares in the company but so that if the commission shall be paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with. Such commission may be satisfied in whole or in part by the allotment (if so agreed) of fully paid shares. The Company may also in any issue of shares pay such brokerage as may be lawful.

## **5. CALLS ON SHARES**

- (1) Where a share imposes any obligation on the holder to pay an amount of money
  - (a) on a fixed date, the holder shall pay that amount on that date;
  - or
  - (b) when called on to do so by the Board, the Board may at any time give written notice to the holder requiring the payment to be made within a specified period of not less than twenty (20) working days, and the payment shall be made in accordance with that notice.
- (2) Any amount not paid by the due date shall carry interest at a rate fixed by the Board not exceeding twenty percent (20%) per annum, accruing daily. The Board may, at its discretion, waive payment of interest.
- (3) Joint holders of a share are jointly and severally liable for any payments to be made under paragraph (1) of this Article.
- (4) The Company shall have a first charge or a paramount lien on every share to which paragraph (1) of this Article applies, and on every distribution payable in respect of that share, for all amounts presently due and payable to the Company in respect of that share.
- (5) For the purpose of enforcing such lien, the Company may sell in such manner as the Board thinks fit, any shares on which the Company has a lien, if;
  - (a) the Company has given written notice of its intention to do so to the shareholder; and

- (b) the shareholder has failed to make the payment in respect of which the lien has arisen, within ten (10) working days of the giving of such notice.
- (6) Upon any sale for enforcing a lien, the Board may appoint any person to execute an instrument of transfer of the shares sold, whereupon the purchaser shall be registered as the holder of the shares transferred and his title shall not be affected by any irregularity or invalidity in the sale.
- (7) The proceeds of a sale under paragraph (6) of this Article shall be received by the Company and applied first in payment of the costs of sale, and then in payment of the amount in respect of which the lien arose. The remainder, if any, shall be paid to the person entitled to the shares, at the time of the sale.

## **6. SHARE REGISTER**

- (1) The Company shall maintain a share register, which complies with Section 123 of the Act. The share register shall be kept at the registered office of the Company or at any other place in Sri Lanka, notice of which has been given to the Registrar General of Companies in accordance with subsection (4) of Section 124 of the Act.
- (2) The share register may be divided into two or more registers kept at different places, as maybe decided by the Board.

## **7. SHARE TRANSFER**

- (1) Where shares are to be transferred, an instrument of transfer in writing shall be executed by or on behalf of the transferor and transferee, or by their legal representative/s and delivered to the Company.
- (2) The instrument of transfer may be in the usual or common form or any other form which the Directors may approve.
- (3) The Directors may also require an instrument of transfer to:
  - (a) be accompanied by the certificate of 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
  - (b) be in respect of only one class of shares.
- (4) In no case shall the Directors be bound to inquire into the validity, legal effect or genuineness of any instrument of transfer produced by a person claiming a transfer of any share in accordance with these Articles; and whether they abstain from so inquiring or do so inquire and are misled, the transferor or transferee shall have no claim whatsoever upon the Company or the Directors, in respect of such share.
- (5) The Directors may by such means they deem expedient authorise the registration of a transfer of shares without the necessity of any meeting of Directors for that purpose.

- (6) The Board may resolve to refuse to register a transfer of a share within six (06) weeks of receipt of the transfer, if any amount payable to the Company in respect of the share is due but unpaid. If the Board resolves to refuse to register a transfer for this reason, it shall give notice of the refusal to the shareholder within one (1) week of the date of such resolution.
- (7) The Directors may also decline to register a transfer of a share on which the Company has a lien.
- (8) Notwithstanding anything to the contrary in these Articles, as long as the shares of the Company are quoted on the Colombo Stock Exchange or other licensed Stock Exchange, the Board may register without assuming any liability therefor any transfer of shares which is in accordance with the rules and regulations in force for the time being and from time to time as laid down by such licensed Stock Exchange and any agency whose primary object is to act as a Central Depository for such Exchange.
- (9) Notwithstanding any provision in the Articles suggesting the contrary, shares listed on the Colombo Stock Exchange shall be freely transferable and registration of the transfer of such listed shares shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.

## **8. TRANSMISSION OF SHARES**

- (1) Where a joint holder of a share dies, the remaining holder/s shall be treated by the Company as the holder/s of that share. Where the sole holder of a share dies, a person nominated by that shareholder in terms of Section 544 of the Civil Procedure Code or that shareholder's legal representative shall be the only person recognised by the Company as having any title to or interest in the share, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- (2) Any person who becomes entitled to a share as a consequence of the death, bankruptcy, insolvency or incapacity of a shareholder may be registered as the holder of that shareholder's shares upon making a request in writing to the Company to be so registered, accompanied by proof satisfactory to the Board of such entitlement. The Board may refuse to register a transmission under this Article in the circumstances set out in paragraphs (6) and (7) of Article 7 above.
- (3) If any person who shall become entitled to be registered in respect of any share under this Article shall not, for any cause whatsoever, within twelve (12) months after the event on the happening of which his title shall accrue, be registered in respect of such share or if, in the case of the death of any member, no person shall, within eighteen (18) calendar months after such death, be registered as a member in respect of the shares of such deceased member, the Company may sell the same either by public auction or by private contract, and give a receipt for the purchase money. Upon any such sale, the Directors may appoint a person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to inquire whether the events have happened

which entitle the Company to sell the same; the net proceeds of such sale, after deducting all expenses and all monies in respect of which the Company is entitled to a lien on the shares so sold, shall be paid to the person entitled thereto.

#### **9. JOINT SHAREHOLDING**

The Company shall not register more than three persons as joint holders (including the principal holder) of any shares (except in the case of executors, administrators or heirs of a deceased member).

#### **10. SHARE CERTIFICATES**

- (1) Where the Company issues shares or the transfer of any shares is entered on the share register, the Company shall within two (2) months complete and have ready for delivery a share certificate in respect of the shares.
- (2) Where a share certificate is defaced, lost or destroyed it may be re-issued on payment of the cost of issue or such lesser sum and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company for investigating evidence as the Directors think fit.

#### **11. PURCHASE OF OWN SHARES**

The Company may purchase or otherwise acquire its own shares.

#### **12. CONSOLIDATION AND SUB-DIVISION OF SHARES**

- (1) The Company may consolidate shares in the Company or the shares in a particular class of shares in the Company into a lesser number of shares, in proportion to those shares, leaving unaffected the relative voting and distribution rights of the holders of those shares, by following a procedure to effect such consolidation as the Board may consider appropriate.
- (2) The Company may subdivide all of the shares in the Company or all of the shares in a particular class of shares in the Company into a greater number of shares, in proportion to those shares, leaving unaffected the relative voting and distribution rights of the holders of those shares, by following a procedure to effect such subdivision as the Board may consider appropriate.

#### **13. DISTRIBUTIONS AND RESERVES**

- (1) The Company may make distributions to shareholders in accordance with the provisions of the Act. The Board shall be satisfied that the Company shall immediately after the distribution satisfy the solvency test. The Directors who vote in favour of the distribution shall sign a certificate of their opinion to that effect.
- (2) The Company shall be deemed to have satisfied the solvency test if-

- (a) it is able to pay its debts as they become due in the normal course of business; and
- (b) the value of the Company's assets is greater than-
  - (i) the value of its liabilities; and
  - (ii) the Company's stated capital.
- (3) The company may make distributions to shareholders in accordance with section 56 of the Act without approval by an ordinary resolution of the shareholders.
- (4) The profits of the Company shall be distributable and divisible among the shareholders in proportion to the capital paid or credited as paid on the shares held by them respectively, subject to:
  - (a) the rights of holders of shares issued upon special conditions;
  - (b) any arrangements that may be made by the Company to the contrary;
  - (c) shares not fully paid up;
  - (d) any special arrangement made as regards money paid in advance of calls; and
  - (e) the provisions of these Articles as to reserve funds.
- (5) Before the Directors make any distributions, they may set aside, out of the profits of the Company, such sum as they think proper as a reserve fund or funds.
- (6) The Directors may divide the reserve fund or funds into such special funds as they think fit, with full power to employ the assets constituting the reserve fund in the business of the Company for any purpose which they may from time to time deem expedient and without being bound to keep such assets separate from the other assets of the Company. The Directors may also carry forward any profits which they may deem it not prudent to divide.
- (7) The Board may decide to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve funds/accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly to set free such sum for distribution amongst the shareholders 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 shareholders respectively or paying up in full, shares or debentures of the Company to be allotted, issued and distributed, credited as fully paid up to and amongst such shareholders in the proportion aforesaid, or partly in the one way and partly in the other.
- (8) Whenever such a decision as aforesaid shall have been made, the Directors shall make all appropriations and applications of the undivided profits to be capitalised and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto.



- (9) Subject to the provisions of the Act, the Board may authorise and declare a distribution by way of dividend, interim or final, to be paid to the shareholders according to their rights and interests in the profits and may fix the time for payment.
- (10) Any dividend or interim dividend which may be authorised by the Directors, may be paid by means of cash or by the distribution of specific assets and, in particular, of paid-up shares, debentures or debenture stock of the Company or of any other company or in *specie* or in any one or more of such ways and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any member 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 upon such trusts for the persons entitled to the dividend as may seem expedient to the Board.
- (11) No shareholder shall be entitled to receive payment of any dividend or any allotment and issue of shares credited as fully paid up in respect of his share or shares whilst any moneys may be due or owing from him (whether alone or jointly with any other person) to the Company in respect of such share or shares or otherwise howsoever.
- (12) No dividend payable in respect of a share shall bear interest against the Company.
- (13) The Directors may deduct from the dividend payable to any shareholder all sums of money due from him (whether alone or jointly with any other person) to the Company and notwithstanding that such sums shall not be payable until after the date when such dividend is payable. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.
- (14) Unless otherwise directed any dividend may be paid by cheque or warrant sent by post to the registered address of the shareholder entitled thereto or, in the case of joint-holders, to the registered address of the joint-holder whose name stands first on the register in respect of the joint-holding; Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby and the Company shall not be liable or responsible for the loss of any such cheque or dividend warrant sent through the post.
- (15) All dividends unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for six (6) years after having been declared shall be forfeited and shall revert to the Company. All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed.
- (16) Every dividend payable in respect of any share held by several persons jointly may be paid to and an effectual receipt given by, any one of such persons.

## **D. MEETINGS OF SHAREHOLDERS**

### **14. MEETINGS OF SHAREHOLDERS**

(1) Written notice of the time and place of a meeting of shareholders (including a meeting where it is intended to propose a resolution as a special resolution) shall be given to every shareholder entitled to receive notice of the meeting and to every Director and the auditor of the Company;

(a) not less than fifteen (15) working days before the meeting, if the meeting is an annual general meeting or the meeting is one where it is intended to propose a resolution as a special resolution.

(b) not less than ten (10) working days before the meeting, in any other case.

Provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:

(i) in the case of a meeting called as the annual general meeting, by all the shareholders entitled to attend and vote at such meeting; and

(ii) in the case of any other meeting, by the shareholders having the right to attend and vote at the meeting, being shareholders together holding shares which carry not less than ninety five per centum (95%) of the voting rights, on each issue to be considered and voted on at that meeting.

(2) The notice shall set out ;

(a) the nature of the business to be transacted at the meeting; and

(b) the intention, if any, to propose a special resolution at such meeting and the text of such special resolution to be submitted to the meeting.

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

(4) If a meeting of shareholders is adjourned for less than thirty (30) days, it is not necessary to give notice of the time and place of the adjourned meeting, other than by announcement at the meeting which is adjourned.

(5) Two (2) or more shareholders holding shares which carry not less than ten per centum (10%) of the votes which may be cast on an issue, may call a meeting to consider and vote on that issue only in accordance with the provisions of the Act.

(6) 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.

## **15. METHOD OF HOLDING MEETINGS**

A meeting of shareholders (including a meeting where it is intended to propose a resolution as a special resolution) may be held by a number of shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting.

## **16. QUORUM**

- (1) Subject to paragraph (3) of this Article, no business may be transacted at a meeting of shareholders if a quorum is not present.
- (2) A quorum for a meeting of shareholders is present if shareholders having 10% of the total voting rights are present in person or by proxy.
- (3) If a quorum is not present within thirty (30) minutes after the time appointed for the meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Directors may appoint.

If at the adjourned meeting, a quorum is not present within thirty (30) minutes after the time appointed for the meeting, the shareholders present or their proxies shall be deemed to form a quorum.

- (4) 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.

## **17. CHAIRPERSON**

- (1) If the Directors have elected a chairperson of the Board, and the chairperson of the Board is present at a meeting of shareholders, he or she shall chair the meeting.
- (2) If no chairperson of the Board has been elected or if at any meeting of shareholders the chairperson of the Board is not present within fifteen (15) minutes of the time appointed for the commencement of the meeting, the Board may choose one of their number to be chairperson of the meeting.

## **18. VOTING**

- (1) Voting at a meeting of shareholders held under Article 15 above shall, unless a poll is demanded, be by a show of hands.
- (2) A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority or lost, is conclusive evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution, unless a poll is demanded in accordance with paragraph (3) of this Article

- (3) At a meeting of shareholders, a poll may be demanded by ;
  - (a) the chairperson; or
  - (b) not less than five (5) shareholders having the right to vote at the meeting; or
  - (c) a shareholder or shareholders representing not less than ten per centum (10%) of the total voting rights of all shareholders having the right to vote at the meeting.
- (4) A poll may be demanded either before or after the vote is taken on a resolution. However, 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.
- (5) If a poll is taken, votes shall be counted according to the votes attached to the shares of each shareholder present and voting.
- (6) In the case of equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place or at which the poll is taken shall be entitled to second or casting vote.
- (7) No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote to which no objection shall be made at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

## **19. PROXIES**

- (1) A shareholder may exercise the right to vote either by being present in person or by proxy.
- (2) A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.
- (3) A proxy shall be appointed by notice in writing signed by the shareholder. The notice shall state whether the appointment is for a particular meeting, or for a specified term.
- (4) No proxy is effective in relation to a meeting, unless a copy of the notice of appointment is given to the Company not less than forty eight (48) hours before the start of the meeting.
- (5) An instrument of proxy shall be in the following form or a form as near thereto as circumstances permits:-

**NATIONS TRUST BANK PLC**

I/We..... of  
..... being a  
shareholder/shareholders of Nations Trust Bank PLC hereby  
appoint..... of ..... or failing him .....as  
my/our proxy to attend and vote 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.....

- (6) 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 the revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the shares 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 registered 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.

**20. MINUTES**

- (1) The Board shall ensure that minutes are kept of all proceedings at meetings of shareholders
- (2) Minutes which have been signed by the chairperson of the meeting at which the proceedings were had, or by the chairperson of the next succeeding meeting, shall be evidence of such proceedings.

**21. CORPORATIONS MAY ACT BY REPRESENTATIVES**

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

**22. VOTES OF JOINT HOLDERS**

Where two or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter shall be accepted to the exclusion of the votes of the other joint holders. Where there are several executors or administrators of a deceased shareholder in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote.

The vote in relation to such shares in any matter shall be accepted only if all of such executors or administrators agree thereto.

**23. LOSS OF VOTING IF CALLS UNPAID**

If a sum due to a Company in respect of a share has not been paid, no vote shall be cast in relation to that share at a shareholders' meeting other than a meeting of a group of shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way.

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

- (1) Subject to paragraphs (2) and (3) of this Article, the Board shall call an annual general meeting of the Company to be held ;
  - (a) once in each calendar year;
  - (b) not later than six (6) months after the balance sheet date of the Company; and
  - (c) not later than fifteen (15) months after the previous annual general meeting; and such meeting shall be held on the date on which it is called to be held.
- (2) An extraordinary general meeting of shareholders entitled to vote on an issue may be called at any time by the Board, and shall be called by the Board on the written request of shareholders holding shares, carrying not less than ten (10) *per centum* of votes which may be cast on that issue in accordance with the provisions of Section 134 of the Act in relation thereto.
- (3) A resolution in writing (whether ordinary or special other than a resolution requiring special notice in terms of the Act) signed by shareholders who together hold not less than eighty-five *per centum* (85%) of the votes entitled to be cast on that resolution, is as valid as if it had been passed at a meeting of those shareholders. The Company need not hold an annual general meeting if everything required to be done at the meeting (by resolution or otherwise) is done by resolution and is in accordance with this Article. Any such resolution may consist of more than one document in like form; each signed or assented to by one or more shareholders and may be transmitted to the Company, by facsimile, email or other similar means of communication which together shall be deemed to constitute one document for the purpose hereof. A copy of any such resolution shall be entered in the minute book kept for the purpose of entering the minutes of general meetings of the Company.
- (4) Within five (5) working days of a resolution being passed under paragraph (3) of this Article, the Company shall send a copy of the resolution to every shareholder who did not sign it.
- (5) A resolution may be passed under paragraph (3) of this Article without any prior notice being given to shareholders.

## **E. DIRECTORS AND SECRETARY**

### **25. APPOINTMENT AND REMOVAL OF DIRECTORS**

- (1) The number of Directors shall not be less than seven (7) and not more than Thirteen (13). Subject to the provisions of the Statutes and these presents, the Company may from time to time, by Ordinary Resolution, increase or reduce the number of Directors.
- (2) The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with (1) above. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election by the shareholders but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.
- (3) A Director may be appointed or removed by ordinary resolution passed at a meeting called for that purpose or by a written resolution in accordance with paragraph (3) of Article 24. The shareholders may only vote on a resolution to appoint a Director if-
  - (a) the resolution is for the appointment of one (1) Director; or
  - (b) the resolution is a single resolution for the appointment of two (2) or more persons as Directors, and a separate resolution that it be so voted on has first been passed without a vote being cast against it.
- (4) A Director may, if he is unable to attend to his duties as a Director, by notice in writing under his hand to the registered office of the Company or by notice sent by facsimile transmission, appoint any person to be an alternate director of the Company to act for him for a period as may be determined by such Director and at any time remove the alternate director so appointed.
- (5) A Director appointed by another Director to be his alternate director shall thereupon be entitled to exercise (in addition to his own right of voting as a Director) such appointer's rights at meetings of the Board.
- (6) A person appointed as an alternate director shall not be required to hold any share qualification and shall not in respect of such appointment be entitled to receive any remuneration from the Company. But the Board may pay an allowance and/or repay the Alternate Director reasonable expenses as he may incur in attending and returning from meetings of the Board which he is entitled to attend or such other expense as the Board think deem proper.
- (7) An alternate director shall on his giving an address for such notice to be served upon him be entitled to receive notices of all meetings of Directors and to attend and vote as a 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 appointer as a Director in the absence of such appointor.

- (8) 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 if his appointer ceases for any reason to be a Director. The Board reserves the right to terminate the appointment of an alternate Director at any time.
- (9) A Director may resign by delivering a signed written notice of resignation to the registered office of the Company. Such notice is effective when it is received at the registered office or at any later time specified in the notice.
- (10) The office of Director shall, ipso facto, be vacated in the instances specified in the Statutes or if;
  - (a) all the other Directors request the Director, in writing, to resign from office;
  - (b) a director has not attended at least two thirds ( $2/3^{\text{rd}}$ ) of the meetings in the immediately preceding twelve (12) month period or has not attended the immediately preceding three (3) consecutive meetings held without special leave of absence and the board has resolved that his office is vacated.
  - (c) If the Director retires from office under Article 27
- (11) The continuing Directors may act notwithstanding any vacancy in the Board; but so that if the number of Directors falls below the minimum above fixed, the remaining Directors or Director shall act only for the purpose of appointing a Director or Directors to fill one or more of the vacancies.

**26. EXECUTIVE DIRECTORS AND MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER**

- (1) A Director who is employed by the Company shall be an executive director and paid such remuneration as may be agreed to between him and the Board. His remuneration may be by way of salary, commission, participation in profits or any combination of these methods or any other method of fixing remuneration.
- (2) An executive director shall not, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors.
- (3) Subject to the Statutes, the Board may from time to time appoint an executive director as Managing Director/ Chief Executive Officer for such period and on such terms as it thinks fit and subject to the terms of the Managing Director/ Chief Executive Officer's appointment, may at any time revoke such appointment.
- (4) Subject to the Statutes and any conditions or restrictions which the Board considers appropriate, the Board may delegate to the Managing Director/Chief Executive Officer or an Executive Director, any of their powers which can be lawfully delegated. Any such delegation may at any time be withdrawn or varied by the Board. The delegation of a power of the Board to the Managing Director/ Chief Executive Officer and/or Executive Director does not prevent the exercise of the power by the Board.



- (5) The Managing Director/Chief Executive Officer shall be paid such remuneration as may be agreed between him and the Board. His remuneration may be by way of salary, commission, participation in profits or any combination of these methods or any other method of fixing remuneration.
- (6) The Managing Director/Chief Executive Officer shall cease to hold office as Managing Director/Chief Executive Officer, if he ceases to be a Director of the Company.

## **27. ROTATION OF DIRECTORS**

- (1) At every Annual General Meeting of the Company, one-third (1/3) of the Directors, or if their number is not three (3) or a multiple of three (3), then the number nearest to but not exceeding one-third (1/3), shall retire from office,
- (2) The Directors to so retire in every year shall be those who have been longest in office since their last election or appointment, but as between persons who became Directors on the same day or were last re-elected Directors on the same day, those to retire shall unless they otherwise agree among themselves, be determined by lot.
- (3) A retiring Director shall act as a Director throughout the meeting at which he retires and shall be eligible for re-election.
- (4) The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall be deemed to have been re-elected unless:
  - a) at such meeting it is expressly resolved not to fill such vacated office or
  - b) unless a resolution for re-election of such Director shall have been put to the meeting and lost, or
  - c) such Director has given notice in writing to the Company that he is unwilling to be re-elected.
- (5) No person other than a retiring Director shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a member has at least seven (7) days before the meeting excluding the date of the notice and the date of the meeting left at the office a notice in writing under his hand, signifying his intention to propose such person for election accompanied by a notice in writing, signed by the person of his willingness to be elected.
- (6) The Company in General Meeting may at any time or times alter the rotation in which the Directors are to go out of office.

## **28. POWERS AND DUTIES OF DIRECTORS**

- (1) Subject to Section 185 of the Act which relates to major transactions and the provisions contained therein, the business and affairs of the Company shall be managed by or

under the direction or supervision of the Board. The Board shall have all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company.

- (2) The Board may delegate to a committee of Directors or to any person it deems fit, any of its powers which it is permitted to delegate under Section 186 of the Act.
- (3) The Directors have the duties set out in the Act, and in particular;
  - (a) each Director shall act in good faith and in what he believes to be the best interest of the Company; and
  - (b) no Director shall act or agree to the Company acting, in a manner that contravenes any provisions of the Statutes or the Articles.

## **29. METHOD OF CONTRACTING**

- (1) The Company may enter into contracts or other enforceable obligations in accordance with the provisions set out in section 19 of the Act.
- (2) Such contracts or other enforceable obligations, may also be entered into on behalf of the Company by the affixing of its common seal in the presence of two or more Directors, or of one Director and the secretary who shall attest the sealing thereof: The common seal of the Company shall not be affixed other than in the manner set out herein.

## **30. ATTORNEY**

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

## **31. CONFIDENTIAL INFORMATION**

- (1) A Director who has information in his capacity as a Director or employee of the Company which would not otherwise be available to him, shall not disclose that information to any person or make use of or act on the information, except;
  - (a) for the purposes of the Company;
  - (b) as permitted by law; or
  - (c) in accordance with paragraph (2) of this Article.
- (2) Subject to the Provisions of the Statutes a Director may disclose, make use of or act on information if ;
  - (a) the Director is first authorised to do so by the Board under paragraph (3) of this Article; and

- (b) particulars of the authorisation are entered in the interests register.
- (3) Subject to the Provisions of the Statutes the Board may authorise a Director to disclose, make use of or act on information, if it is satisfied that to do so will not be likely to prejudice the Company.

### **32. REMUNERATION OF DIRECTORS**

- (1) The Board may approve;
  - (a) the payment of any remuneration and/or the provision of other benefits by the Company to a Director for services as a Director or for services rendered to the Company in any other capacity;
  - (b) the payment by the Company to a Director or a former Director of compensation for loss of office;
  - (c) the entering into of a contract to do any of the above;

if the Board is satisfied that to do so is fair to the Company.

- (2) The Company may by ordinary resolution also vote extra remuneration and / or other benefits to the Directors or to any Director as may be recommended by the Board for the performance of extra services to the Company.
- (3) The Directors shall also be entitled to be repaid all traveling, hotel or other expenses properly incurred by them in or with a view to the performance of their duties including attendance at Board meetings.
- (4) Nothing in these Articles shall prevent the payment to a Director of any further remuneration for services performed by him by virtue of any other office or position held by him in conjunction with his directorship.

### **33. PROCEDURE AT MEETINGS OF DIRECTORS**

- (1) Articles 33 to 39 set out the procedure to be followed at meetings of Directors.
- (2) The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, provided that there shall be a minimum of twelve (12) meetings per year.
- (3) A Director or upon the request of a Director, the secretary may at any time, convene a meeting of the Board by giving notice in accordance with this Article.
- (4) The Board may decide, from time to time, the time period for notice of meetings of the Board and the manner in which such notice is to be given to the Directors. Unless otherwise decided, not less than seven (7) days notice of a meeting of the Board shall be given to every Director who is in Sri Lanka.

- (5) An irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all Directors entitled to receive notice of the meeting agree to the waiver.

#### **34. CHAIRPERSON**

- (1) Subject to the Statutes, the Directors may elect one (1) of their number to be the chairperson of the Board and may determine the period for which the chairperson is to hold office.
- (2) If no chairperson is elected or if at a meeting of the Board the chairperson is not present within five (5) minutes after the time appointed for the commencement of the meeting, the Directors present may choose one (1) of their number to be chairperson of the meeting,

#### **35. METHODS OF HOLDING MEETINGS**

- (1) A meeting of the Board may be held either;
  - (a) by a number of the Directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or
  - (b) by means of audio or audio and visual communication by which all persons participating and constituting a quorum can simultaneously hear and be heard throughout the meeting at a time appointed by notice in writing setting out a detailed agenda of the business to be transacted at the meeting accompanied by all documents relevant to that business.
- (2) A resolution passed at a meeting held as per Article 35 (1) (b) shall notwithstanding that the Directors are not present together at one place at the time of the conference of the Directors, be deemed to have been passed at a meeting of the Directors held on the day at the time at which the conference was held and shall be deemed to have been held at the registered office of the Company unless otherwise agreed, and all persons including the Secretary participating at that conference shall be deemed for all purpose to be present at the meeting.

#### **36. QUORUM**

The Directors may fix the quorum necessary for the transaction of the business of the Directors and unless so fixed such quorum shall be a majority of the directors for the time being. Provided however that not less than half the Directors constituting the quorum shall be non-executive Directors as stipulated under the Banking Act, as amended. A meeting of the Board of 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 Board.

#### **37. VOTING**

- (1) Every Director has one (1) vote.

- (2) The chairperson has a casting vote.
- (3) A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it.
- (4) A Director present at a meeting of the Board is presumed to have agreed to and to have voted in favour of a resolution of the Board, unless he or she expressly dissents from or votes against the resolution at the meeting.

### **38. MINUTES**

- (1) The Board shall ensure that minutes are kept of all proceedings at meetings of the Board.
- (2) Minutes which have been signed by the chairperson of the meeting at which the proceedings were had, or by the chairperson of the next succeeding meeting, shall be prima facie evidence of the proceedings.

### **39. CIRCULAR RESOLUTIONS**

- (1) A resolution in writing signed by all the Directors for the time being in Sri Lanka provided such Directors shall not be less than the number required to form a quorum at a meeting of Directors, shall be as valid and effective as if it had been passed at a meeting of the Board duly convened and held. An expression by any director of consent or dissent to a resolution by means of a communication by telefax, electronic mail, teleconference or video conference and authenticated by the Secretary shall be deemed for all purposes to be equivalent to such director signing a resolution for the purpose of this article. Directors abstaining from assenting or dissenting shall not be taken into account when determining the majority for the purpose of this article.
- (2) Any such resolution may consist of more than one document in like form whether physical or electronic; each signed or assented to by one or more directors and may be transmitted to the Company, by facsimile, email or other similar means of communication.
- (3) A copy of any such resolution shall be entered in the minute book of Board proceedings.
- (4) A resolution assented to by a majority of the Directors entitled to receive notice of a Board meeting, at a meeting held in accordance with paragraph (1) (b) of Article 35 above shall, upon being reduced to writing by the person appointed to do so at such meeting, be as valid and effectual as if the same had been passed at a meeting of Directors held on the day on which and at the time at which the meeting was held and at the place where the Chairman was located during the course of that meeting.

**40. SECRETARY**

- (1) The Company shall at all times have a secretary, who satisfies the provisions of the Banking Act, as amended from time to time.
- (2) The Board may appoint the secretary for such term and on such conditions as it thinks fit and remove such secretary.
- (3) The remuneration of the secretary shall be agreed to by the Board and the secretary.

**F. ACCOUNTS AND AUDIT**

**41. ACCOUNTING RECORDS, FINANCIAL STATEMENTS, AUDITS ETC.**

- (1) The Board shall ensure that the Company keeps accounting records which;
  - (a) correctly record and explain the Company's transactions, including all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place and all sales and purchases of goods made by the Company;
  - (b) shall at any time enable the financial position of the Company to be determined with reasonable accuracy;
  - (c) shall enable the Board to prepare financial statements in accordance with the Act; and
  - (d) shall enable the financial statements of the Company to be readily and properly audited.
- (2) The accounting records shall comply with subsection (2) of Section 148 of the Act.
- (3) The Board shall ensure that within such period as may be specified in the Statutes, financial statements which comply with the requirements under the Statutes and group financial statements which comply with the requirements under the Statutes are completed in relation to the balance sheet date and are dated and signed on behalf of the Board by two (2) Directors.
- (4) At every annual general meeting, the Company shall appoint an auditor for the following year in accordance with the requirements under the Act . An auditor who is appointed at an annual general meeting is deemed to be reappointed at the following annual general meeting, unless;
  - (a) he is not qualified for re-appointment;
  - (b) the Company resolves at that meeting to appoint another person in his place; or
  - (c) the auditor has given notice to the Company that he does not wish to be re-appointed.

- (5) The Board shall within six (6) months after the balance sheet date of the Company, prepare an annual report on the affairs of the Company during the accounting period ending on that date, which complies with the Statutes. The Board shall send a copy of the annual report to every shareholder not less than fifteen (15) working days before the date fixed for holding the annual general meeting of shareholders.

## **G. LIQUIDATION**

### **42. CONVENING OF MEETINGS OF SHAREHOLDERS DURING WINDING UP**

During winding up, a meeting of shareholders may be convened by any contributory or by the continuing liquidators, as the case maybe, in terms of the Act by giving notice in the manner set out herein for convening an extraordinary general meeting.

### **43. DISTRIBUTION OF SURPLUS ASSETS**

- (1) The surplus assets of the Company available for distribution to shareholders after all creditors of the Company have been paid, shall be distributed in proportion to the number of shares held by each shareholder, subject to the terms of issue of any shares.
- (2) The liquidator may with the approval of a special resolution, divide the surplus assets of the Company among the shareholders in kind. For this purpose he may set such value as he considers fair on any property to be divided, and may determine how the division will be carried out as between the shareholders or different classes of shareholders.

### **44. NOTICES**

- (1) Where the Company is required to send any document to a shareholder or to give notice of any matter to a shareholder, it shall be sufficient for the Company to send the document or notice to the registered address of the shareholder, by ordinary post and/or courier. Any document or notice so sent is deemed to have been received by the shareholder on the day following the dispatch of a properly addressed and prepaid letter containing the document or notice.
- (2) Any member whose registered address is not within Sri Lanka, may name an address within Sri Lanka which for the purpose of notice, shall be considered as his registered address.
- (3) A document may be sent or notice given by the Company to the joint holders of a share, by giving the notice to the holder first named on the share register in respect of the share.
- (4) Where a shareholder has died or has become bankrupt or insolvent, the Company may continue to send all notices and documents in respect of his shares addressed to him at his registered address, notwithstanding that some other person has by reason of the death, bankruptcy or insolvency, become entitled to those shares, or may send any

notice or document to an address to which that other person requests the Company to send such notices.

- (5) Where notice is given by an advertisement, such advertisement, shall be published in Sinhala, Tamil and English national daily newspapers.
- (6) A copy of every notice or document sent to all shareholders shall be sent to the auditor of the Company.
- (7) For the purpose of this Article, the registered address of the shareholder shall be the address registered by such shareholder in the share register.

#### **45. INSURANCE AND INDEMNITY**

- (1) The Company may indemnify a Director or employee of the Company to the extent permitted by law.
- (2) The Company may effect insurance for a Director or employee of the Company to the extent permitted by law, with the prior approval of the Board.

For the purposes of this Article, the term ‘Director’ includes a former Director and the term ‘employee’ includes a former employee to the extent that the insurance or indemnity is provided in relation to any act or omission done in his/her capacity as a Director or employee and is not in relation to any criminal liability.

#### **46. COMPLIANCE WITH THE LISTING RULES AND CDS RULES OF THE COLOMBO STOCK EXCHANGE**

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