

## ARTICLES OF ASSOCIATION

OF

## CARGILLS BANK LIMITED

Amended  
with effect  
from 28th  
January  
2014

1. (a) The Rules contained in the First Schedule to the Companies Act No7 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 presents 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 shall at all times supersede the provisions of any other law in force for the time being.
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.

First Schedule  
not to apply

Banking Act to  
prevail

Amended  
by Special  
Resolution  
on 05<sup>th</sup> July  
2012

Interpretation


### Words

The Company

### Meanings

**CARGILLS BANK LIMITED** a company having the liability of its Members limited to the amount if any unpaid on the shares held by them respectively.

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**CARGILLS BANK LIMITED**  
Reg. No. PB 4847

  
Amendra de Silva  
COMPANY SECRETARY

The Statutes

The Companies Act No. 7 of 2007 and the Banking Act No. 30 of 1988, all amendments thereto including all regulations directions, determinations and guidelines issued or made there under and every other Act or Ordinance for the time being in force concerning companies and affecting the Company.

Amended  
by Special  
Resolution  
on 05<sup>th</sup> July  
2012

The Act

The Companies Act No. 7 of 2007 and all amendments thereto including all regulations made thereunder.

The Banking Act

The Banking Act No. 30 of 1988 and all amendments thereto including all regulations and directions made thereunder.

Interest Group

Shareholders of the Company holding the same class of shares.

Listing Rules

Rules for the time being in force of the Colombo Stock Exchange and/or the Central Depository Systems (Private) Ltd., and amendments thereto or where the context so requires or admits the rules for the time being in force of any other exchange on which the shares of the Company are quoted and/or the relevant depository system.

These presents

These Articles of Association as herein adopted or as from time to time altered by Special Resolution.

Ordinary Resolution and  
Special 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) and Alternate Directors, and shall also include a reference to "the Board" and Independent Director as used in these presents shall be as defined in the Banking Act No.30 of 1988 as amended from time to time and the Directions, Circulars and Guidelines issued thereunder.

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CAROLLE BANK LIMITED

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
Ordinary Shares	Voting and Non-voting shares

The expression 'debenture' or 'debenture-holder' shall include, 'debenture-stock' and 'debenture-stockholder' and the expression 'Secretary' shall include any person appointed by the Directors subject to and in accordance with the provisions of the Banking Act, to perform any of the duties of the Secretary and shall include an Assistant Secretary.

Amended by  
Special  
Resolution  
on 05<sup>th</sup> July  
2012

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.

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

In the event of any conflict or inconsistency between the Act and the Banking Act No.30 of 1988, the provisions of the Banking Act shall prevail.



## OBJECTS

3. (1) To carry on the business of banking whilst maintaining the main line of business focus on the small and medium enterprise sector, farmers and low and middle income groups, while diversifying into corporate banking services in all its branches and aspects and in particular, but without prejudice to the generality of the foregoing, the business of accepting deposits of money on current account or otherwise, subject to withdrawal by cheque, draft or order or otherwise.
- (2) To carry on the business of borrowing, raising or taking up of money, lending or advancing of money either upon or without security, drawing, making, accepting, discounting, buying, selling collecting and dealing in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipt, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not, granting and issuing letters of credit, travelers cheques and circular notes, buying, selling and dealing in bullion and specie, buying and selling of foreign exchange including foreign bank notes, acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds, purchasing and selling of bonds, scrips or other forms of securities and investments of all kinds, purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others, negotiating loans and advances, receiving all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise and the carrying on of the business of safe deposit and the collection and transmission of money and securities.
- (3) To act as agents for Governments or local authorities or for any other person or persons, to carry on agency business of any description other than the business of a managing agent of any company which is not a banking company, including the power to act as attorneys and to give discharges and receipts.
- (4) To contract for public and private loans and to negotiate and issue same.
- (5) To carry on the business of promoting, effecting, guaranteeing, underwriting, participating in the managing and carrying out of any issue, public or private, of state, Municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue.
- (6) To carry on and transact every kind of guarantee and indemnity business.
- (7) To promote or finance or assist in promoting or financing any business undertaking or industry, either existing or new, and developing or forming the same either through the instrumentality of syndicates or otherwise.
- (8) To acquire by purchase, lease, exchange, hire or otherwise any property immovable or movable and any rights or privileges which the Company may think necessary or convenient to acquire or the acquisition of which in the opinion of the Company is likely to facilitate the realization of any securities held by the Company or to prevent or diminish any apprehended loss or liability.

Objects of the  
Company.

Amended by  
Special  
Resolution on  
05<sup>th</sup> July 2012

- (9) To manage, sell and realize all property, movable and immovable, which may come into the possession of the Company in satisfaction or part satisfaction of any of its claims.
- (10) To acquire and hold and generally deal with any property and any right, title or interest in any property, movable or immovable which may form the security or part of the security for any loans or advance or which may be connected with any such security.
- (11) To undertake, execute, create and establish trusts including functioning as Trustee of any Unit Trust.
- (12) To undertake the administration of estates as executor, trustee or otherwise.
- (13) To take or otherwise acquire and hold shares in any other company having objects similar to those of the Company.
- (14) To establish and support or aid in the establishment and support of associations, institutions, funds, and to act as Trustees, and conveniences calculated to benefit employees or ex-employees of the Company or the dependents or connections of such persons, to grant pensions and allowances and make payments towards insurance, to subscribe or guarantee moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (15) To acquire, construct, maintain and alter any building or works necessary or convenient for the purposes of the Company.
- (16) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of or turn into account or otherwise deal with all or any part of the property and rights of the Company.
- (17) To acquire and undertake the whole or any part of the business of any person or company when such business is of the nature enumerated or described herein.
- (18) To carry on any other businesses permitted by Schedule II of the Banking Act No.30 of 1988 as may be amended from time to time including the business of pawn broking, hire purchase services, factoring, leasing, warehousing and any other forms of business as may be authorized by the Monetary Board in terms of paragraph (aa) of the said schedule II.
- (19) To do all such other things as are incidental or conducive to the promotion or advancement of the business of the company but nothing herein shall authorize the Company to carry on any business other than the business of banking or the businesses referred to in sub clauses (2) to (19) hereof.

#### CAPITAL

4. (i) The Stated Capital of the Company represents Ordinary Shares issued by the Company and fully paid for as at this date. Stated Capital



- (ii) Provided always that the individual holding of shares in the Stated Capital of the Company shall be in accordance with the requirements of the Statutes.

Amended  
by Special  
Resolution  
on 05<sup>th</sup> July  
2012

5. Subject to the approval of the Shareholders by a special resolution at all times, the Board may resolve to increase such 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 7 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.

Power to  
Increase the  
Stated Capital

6. (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.

Consideration

- (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

7. Unless otherwise determined by the Terms of Issue of such shares, the Company's Shares shall confer on the holder thereof –

Rights  
conferred by  
shares

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

8. 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 15 of the Act.

## SHARES

9. The Shares created as aforesaid shall be at the disposal of the Board, and subject to the provisions of Article 10 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.
- Shares at the disposal of the Board
- Notwithstanding anything in the preceding article the Board may at their discretion allot any shares (unless otherwise provided in any resolution of the Company relating thereto) or any of them to the Vendor (or the nominee of the Vendor) of any business, property or land being acquired by the Company in payment in whole or part of the purchase price for such business, property or land without offering the shares so allotted to members.
- Shares to be offered to members
10. 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.
- Interest Group
11. 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.
- Power to acquire own shares
12. 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.
- Power to redeem shares
13. (1) The Company may by Ordinary Resolution:
- Power to consolidate shares
- 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;
  - c) issue shares pursuant to a capitalization of reserves of the Company or by way of Dividends;
  - d) issue shares upon conversion of securities including debentures into shares whether at the option of the holder of such securities or otherwise.
- (2) The Company may by Special Resolution reduce its capital in such manner as authorized by the Act.
14. 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
- Power to pay commission and brokerage



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

15. 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.
16. 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.

Variation of special rights of issued shares

General Meeting of holders of a class of shares

Exclusion of equities

#### CERTIFICATES

17. (i) Every person whose name is entered as a Member in the Register of Members or as a Debenture Holder in the Register of Debenture Holders as may be applicable 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 and/or debentures 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 and/or debentures of any one class. Where a Member transfers part only of the shares and/or debentures comprised in a certificate the old certificate shall be cancelled and a new certificate for the balance of such shares and/or debentures 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 and/or debentures 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 (including the principal holder) of any shares and/or debentures (except in the case of executors, administrators or heirs of a deceased member) and in the case of a share and/or debenture 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.

Issue of Certificates



- (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, be in the form of an autographic signature stamped or printed or impressed thereon.
18. 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. Renewal of Certificates

### CALLS ON SHARES

19. The Directors may from time to time make calls upon the Members by written notice 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. Calls
20. 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 installments. Time when made
21. The joint-holders of shares shall be jointly and severally liable to pay all calls in respect thereof. Liability of joint-holders
22. 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. Interest on calls
23. 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. Sum due on allotment to be treated as calls
24. 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. Power to differentiate
25. 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 Payment in advance of calls

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

- |     |     |   |   |
|-----|-----|---|---|
| 26. | (1) | If a Member fails to pay in full any call or installment 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 installment as is unpaid, together with any interest and expenses which may have accrued.   | Notice requiring payment of calls   |
|     | (2) | 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.   | Notice to state time and place for payment                                      |
| 27. |     | 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.   | Forfeiture on non-compliance with notice<br><br>Surrender in lieu of forfeiture |
| 28. |     | 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.  | Sale of shares forfeited or surrendered   |
| 29. |     | 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.  | Liabilities of members whose shares are forfeited or surrendered                |
| 30. |     | 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 | Company's lien  |

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.

31. 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. Sale of shares subject to lien
32. 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. Application of proceeds of such sale
33. 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. Title to shares forfeited or surrendered or sold to satisfy a lien
34. The provisions of these regulations as to forfeiture shall apply in the case of non-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. Forfeiture for non-payment of instalments

#### TRANSFER OF SHARES

35. 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. Form of Transfer

36. 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. Execution

37. (i) The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of shares (not being fully 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. Directors power to refuse registration

(ii) The Directors shall decline to register any transfer of shares (whether fully paid or partly paid) if the registration of such transfer shall conflict with the requirements of these presents or any directions given by the Monetary Board of the Central Bank of Sri Lanka and in order to enable the Directors to decide whether any transfer should or should not be registered under the provisions of this Article the Directors may require the transferee named in any share transfer, to furnish an Affidavit in such form as the Directors may from time to time prescribe.

(iii) 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.

38. The Directors may decline to recognize any instrument of transfer unless: Deposit of transfer

(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, together with (where applicable) the written approval of the Securities and Exchange Commission in compliance with the provisions of the Securities and Exchange Commission Act No. 36 of 1987 and amendments thereto 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.

39. Notwithstanding anything to the contrary in these Articles –

(1) 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. Compliance with the Rules of Colombo Stock Exchange

(2) So long as the shares of the Company are quoted on a licensed Stock Exchange, the Directors 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 and as laid down by such Registration of Quoted Shares

licensed Stock Exchange and/or any agency whose primary object is to act as Central Depository for such Exchange.

- (3) The shares of the Company quoted on the Colombo Stock Exchange shall be freely transferable and registration of the transfer of such quoted shares shall not be subject to any restriction, save and except to the extent required for purposes of compliance with statutory requirements.
- Free transferability and registration of quoted shares

#### REGISTRATION OF TRANSFERS

40. 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.
- Registration without meeting
41. 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.
- Suspension of registration
42. 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.
- Fee for registration of probate
43. 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.
- Renunciation of allotment

#### TRANSMISSION OF SHARES

44. 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 share solely or jointly held by him.
- Transmission on death
45. Any person becoming entitled to shares 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 shares 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.
- Registration of executors etc.



46. A person becoming entitled to a share 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 share, 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 share.

Rights of unregistered executors etc.

#### GENERAL MEETINGS

47. 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.

Annual General Meeting

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

Annual /Extraordinary General Meetings

#### NOTICE OF GENERAL MEETINGS

48. (1) 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.

Notice

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 –

Short Notice

- (i) In the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; and
  - (ii) 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.
- (2) 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;

Serving of notices to every members, auditors etc.

- 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.

Omission or non-receipt of notice

49. (1) 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.
- (2) In the case of an Annual General Meeting of the Company the notice shall also specify the meeting as such.
- (3) 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 a Special Resolution, the notice shall contain a statement to that effect.

Contents of notice

50. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say -

Routine business

- (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
- (e) The declaration of any dividend.

51. The Directors shall on the requisition of Members holding (at the date of deposit of the requisition) shares which carry not less than ten percentum 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.

Requisition of an Extraordinary General Meeting

52. A resolution in writing signed by not less than eighty five percentum (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 percentum (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. Such a Resolution may be constituted of several documents in the like form inclusive of facsimile or electronically generated copies thereof signed by one or more of the Shareholders, which together shall be deemed to constitute one document for the purposes hereof.

Shareholders  
Resolution

### PROCEEDINGS AT GENERAL MEETINGS

53. No business shall be transacted at any General Meetings unless a quorum is present when the meeting proceeds to business. Fifteen (15) Members present in person or by proxy or attorney or (in the case of a corporation) by an authorized representative, 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.

Quorum

54. (1) If within thirty 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, including the date of the Meeting or if not the date of the Meeting, any other working day, within 5 working days from the date of the Meeting and at any time and any place as the Chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within thirty minutes from the time appointed for holding the Meeting, those present shall be a quorum.
- (2) 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.

Adjournment if  
quorum not  
present

55. 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.

Chairman

56. 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.

Adjournment

Notice of  
adjournment



57. 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-
- Method of voting
- (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
  - (iii) 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.
58. 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.
- How a poll is to be taken
59. 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.
- Chairman's casting vote
60. 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.
- Time for taking a poll
61. 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.
- Continuance of business after demand for poll

#### VOTES OF MEMBERS

62. 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.
- Votes of Members

63. 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. Voting rights of joint-holders
64. 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. Voting rights of lunatic members
65. 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. No right to vote where a call is unpaid
66. 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. Qualification of voter
67. 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. Votes on a poll
68. An instrument appointing a proxy shall be in writing and – Execution of proxies
- (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.
69. A non-resident shareholder may appoint and revoke proxies by cable or facsimile provided such cable or facsimile is received not less than Forty Eight (48) hours before the commencement of the Meeting at which it is to be used and is duly stamped as a Proxy in Sri Lanka. Non-Resident Shareholders
70. 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. Deposit of proxies

71. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit: Form of proxy

**CARGILLS BANK LIMITED**

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...

72. (1) 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. General provisions relating to Proxies
- (2) The proxy shall be deemed to include the right to demand, or join in demanding a poll.
- (3) 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.
73. (1) 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. Intervening death or insanity of principal not to revoke proxy
- (2) 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. Revocation of Proxy

**CORPORATIONS ACTING BY REPRESENTATIVE**

74. 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. Representatives

## DIRECTORS

- |       |  |   |
|-------|--|---|
| 75.   | <p>(i) The Directors shall not be less than seven (07) nor more than thirteen (13) in number.</p> <p style="margin-left: 40px;">a) Notwithstanding anything to the contrary, so long as the shares of the Company are quoted on the Colombo Stock Exchange, the Company shall in compliance with the Listing Rules of such Exchange ensure that at least one third or three (whichever is greater) of the total number of Directors on the Board of Directors of the Company at any time and from time to time are Independent Non Executive Directors of the Company.</p>               | <p>Number of Directors</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <p>Amended by Special Resolution on 05<sup>th</sup> July 2012</p> </div> |
| (ii)  | <p>The number of Non Executive Directors required to be on the Board of Directors of the Company at any time and from time to time, shall be determined with reference to the number of Directors on the Board of the Company at the immediately preceding Annual General Meeting of the Company and shall be in conformity with the regulations contained in the Banking Act in relation to Independent Directors.</p>  | <p>Non-Executive Directors</p>  |
| (iii) | <p>For the purpose of this Article, the term 'Independent Director' shall be as defined and set out in the Listing Rules of the Colombo Stock Exchange and the Statutes above referred to.</p>   |   |
| 76.   | <p>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.</p>   | <p>Qualification of Directors</p>   |
| 77.   | <p>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 as being fair and reasonable to the Company, and which 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.</p>  | <p>Remuneration of Directors</p>  |
| 78.   | <p>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.</p>   | <p>Expenses</p>   |
| 79.   | <p>Any Director who serves on any committee or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary or otherwise as the Directors may determine.</p>   | <p>Extra remuneration</p>   |
| 80.   | <p>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.</p> | <p>Holding of concurrent office</p>   |

- |     |  |                                     |
|-----|--|-------------------------------------|
| 81. | The Board may from time to time appoint one or more of its number to be the holder of any executive office including the office of Managing Director on such terms and for such period as it may determine and such appointment shall be subject to termination (unless the Board shall otherwise decide) if he ceases, for 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.   | Appointment of Executive Directors  |
| 82. | The Board may entrust to and confer upon any such Executive Director any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as the Board may think fit, and either collaterally with, or to the exclusion of their powers including the day to day management of the Company with power to appoint executive or other officers, and any such executive director shall have power unless revoked, withdrawn, altered or varied, delegate such of his powers as he may think necessary or desirable to any executive officer of the Company. | Powers of Executive Directors       |
| 83. | 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 Board may determine.   | Remuneration of Executive Directors |

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

- |     |  |                                |
|-----|--|--------------------------------|
| 84. | The office of a Director shall be vacated in any of the following events, namely - | Vacation of office of Director |
|-----|--|--------------------------------|
- (i) If he becomes prohibited by law from acting as a Director including
    - a) If he is convicted of any offense under the statutes punishable by imprisonment; or
    - b) If he is convicted of any offense involving dishonest or fraudulent acts whether in Sri Lanka or elsewhere;
  - (ii) If not being an Executive Director holding office as such for a fixed term, 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 to resign, by all his co-Directors;
  - (vii) If he be removed from office by a Resolution of the Company under the provisions of the Act or these presents;



90. 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
- Removal of Directors
- between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement.
91. 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.
- Appointment to fill vacancy caused by removal from office
92. 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.
- The Directors power to fill casual vacancies or appoint additional Directors

#### PROCEEDINGS OF DIRECTORS

93. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. 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.
- Meetings of Directors
- Voting
- Chairman to have a casting vote
- Provided however that a meeting of the Board shall not be duly constituted, although the number of Directors required to constitute the quorum at such meeting is present, unless more than one half of the number of Directors present at such meeting are non-executive Directors.
94. The Directors may concurrently participate either in person or by telephone, radio, conference television or similar equivalent communication or any other form of audio or audiovisual instantaneous communication by which all persons participating in the conference are able to hear and be heard by all other participants for the dispatch of business and adjourn and otherwise regulate the conference as they think fit. All provisions relating to the convening of a Meeting of the Directors, including the giving of Notice thereof and Agenda, the quorum for such conference meeting and the votes to be cast shall be the same as is applicable under these Presents in relation to such Meetings.
- Meetings by audio or audio visual means
95. A resolution passed by such conference Meeting shall notwithstanding that the Directors are not present together at one place at the time of the conference, be deemed to have been passed at a conference of the Directors held on the day and at the time at which the conference was held and shall be deemed to have been held at the registered office of the
- Resolutions of conference Meetings



Company unless otherwise agreed, and all Directors and other persons including the Secretary participating at that conference shall be deemed for all purposes to be present at the conference.

96. 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 three. Provided however that not less than half the Directors constituting the quorum shall be non-executive Directors as stipulated by the Banking Act No.30 of 1988. 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.

Quorum

#### TRANSACTIONS IN WHICH A DIRECTOR IS INTERESTED

97. (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.

Directors' interest

- (2) The provisions of Sections 191 to 200 (inclusive) of the Act shall apply to the Company in so far as the same are not in conflict with the provisions herein or otherwise in these presents contained and shall govern the applicable procedures in relation to Transactions in which a Director of the Company is or is otherwise deemed 'Interested'.

98. 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 subject to the requirements of the Statutes.

Relaxation of restrictions on voting

99. 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.

Directors' remuneration for professional services

100. (1) 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.

Proceedings in case of vacancies

- (2) 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.

101. The Board shall appoint and may remove a Chairman and Deputy Chairman of the Board and may determine the period for which they are to hold office. The Chairman or in his absence the Deputy Chairman so appointed shall preside as Chairman at meetings of the Board. 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.
102. 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 the Directors, shall be as valid and effectual as if it were 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; Provided always that a Resolution faxed under their respective signature/s shall be deemed to have been signed by them for the purposes hereof.
103. 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.
104. 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.
105. 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.

Appointment of Chairman and Deputy Chairman

Resolutions in writing

Power to appoint committees

Proceedings at committee meetings

Validity of act of Directors in spite of some formal defect

#### ALTERNATE DIRECTORS

106. (1) Any Director who is abroad or about to go abroad may at any time by notice in writing left at the office appoint any person approved by the Board to be an Alternate Director of the Company to act in his place during his absence abroad. An existing Director may be appointed as an Alternate Director and shall be entitled to a second vote on behalf of his appointor, in addition to his own vote. An existing Director shall be an alternate director for only one Director at any given time.

Provisions for appointing and removing Alternate Directors





- (2) An Alternate Director appointed to represent an Independent Director shall meet the criteria applicable to the Independent Director.
- (3) 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.
- (4) 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.
- (5) 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 return to Sri Lanka of his Appointors;
  - (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 84 of these presents which, if he were a Director of the Company, would render his office vacated.
- (6) 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

107. The Directors may exercise all the powers of the Company to borrow money, and may mortgage or charge its undertaking and property or any part thereof and may 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. Power to borrow money and give security
108. (i) Any bonds, debentures, debenture-stock, convertible loan stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company. Bonds, debentures etc., to be subject to control of the Board.
- (ii) Bonds, debentures, debenture-stock, convertible loan stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Securities may be assignable free from equities.
- (iii) Any bonds, debentures, debenture-stock, convertible loan stock or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at General Meetings of the Company, appointment of Directors and otherwise. Issue at discount etc., or with special privileges.
- (iv) All certificates for debentures, debenture-stock, loan stock or other securities issued in terms of these presents shall be issued under the seal of the Company. Certificates to be issued under the seal of the Company.

## GENERAL POWERS OF DIRECTORS

109. 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. Directors to manage business
110. 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. General powers of Directors



Provided however that the Directors shall not without the authority of a Special Resolution of the Company-

- a) Arrange terms for the amalgamation (other than a 'Short form of amalgamation' requiring a resolution of the Board as referred to in section 242 of the Act) 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.
- f) De-list from any stock exchange from which the Company's shares are being traded.
- g) Listing the Company's shares on any stock exchange other than the Colombo Stock Exchange.

111. (1) 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.

Provident and pension funds

(2) 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.

112. 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.

Operate Bank Accounts etc.

113. 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

Organization of subsidiary companies

advisable for taking the profits or bearing the losses 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.

114. 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. Power to establish Local Boards etc.
115. 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. Power to appoint attorneys
116. 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. Power to have a seal for use abroad
117. 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 in respect of the keeping of any such register. Power to keep a branch register

#### MINUTES

118. The Directors shall cause minutes to be made in books provided for the purpose:- Minutes to be kept
- (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

119. (1) The Directors shall appoint on such terms and conditions and at such remuneration as may be agreed upon, a person, qualified in accordance with the terms of the Act to be the Company Secretary and such person, unless he/she is already an employee of the Company, shall become an employee of the Company and shall not become an employee of any other institution for so long as such person shall be employed as the Company Secretary of the Company. The Directors may also appoint and employ any other person as Assistant Company Secretary and such person too shall, unless he/she is already an employee of the Company, become an employee of the Company and shall not become an employee of any other institution for so long as such person shall be employed as the Assistant Company Secretary of the Company. Secretary
- (2) 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) Performing 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

120. 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 Secretary of the Company who shall attest the sealing thereof; The sealing shall not be attested by one person in the dual capacity of director and Secretary. Any document sealed in accordance with the provisions of this Article shall be presumed to have been duly executed by the Company. Seal

## AUTHENTICATION OF DOCUMENTS

121. 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.
- Power to authenticate documents

## DIVIDENDS

122. (1) 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, including shares, provided always however that the same is from and out of the profits of the Company as determined by reference to acceptable accounting practices.
- Recommendation of dividends
- (2) 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 -
- Dividend not to be discriminatory
- (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.
123. 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.
- Income from investments
124. 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.
- Apportionment of dividends
125. 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
- Special rights and terms with regard to dividend

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. 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.

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| 126. | 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.  | Payment of interim dividends      |
| 127. | No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.  | Dividends not to bear interest    |
| 128. | 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 him to the Company on account of calls or otherwise.  | Deduction of debts due to Company |
| 129. | 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.   | Retention of dividends            |
| 130. | 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.  |                                   |
| 131. | 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.   | Unclaimed dividends               |
| 132. | 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 | Dividends payable by cheque       |

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.

133. 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.
- Dividends due to joint-holders

### RESERVES

134. 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.
- Power to carry profit to Reserve
- Application of reserve
- Division of reserve into special funds
- Power to carry forward profits

### CAPITALISATION OF PROFITS AND RESERVES

135. (1) 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.
- Power to capitalize profits
- (2) 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
- Capitalisation of profits



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

136. 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.
- Keeping of registers etc

### ACCOUNTS

137. 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 Statutes;
  - d) enable the Financial Statements of the Company to be readily and properly audited.
- Directors to keep proper Accounts.
138. 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.
- Inspection of books
139. The Directors shall in accordance with the provisions of the Act cause to be prepared within five (05) 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
- Preparation of accounts

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.

140. 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).

Copies of accounts

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

141. 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.

Appointment of Auditor

142. The Directors shall have the power to fill a casual vacancy in the office of an Auditor in accordance with the Statutes and subject to obtaining approval for such appointment at the immediately following general meeting.

Casual vacancies  
Amended by Special Resolution on 05<sup>th</sup> July 2012

143. 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.

Remuneration of Auditor

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| 144. | 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. | Validity of acts of Auditor in spite of some formal defect                   |
| 145. | 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.      | Auditors right to receive notice of and attend and speak at General Meetings |

**NOTICES**

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| 146. | 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.  | Member to furnish an address in Sri Lanka                            |
| 147. | 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.  | Service of Notices   |
| 148. | 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.  | Service of notices in respect of joint holding                       |
| 149. | 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. | Service of notices after death or bankruptcy of member               |
| 150. | 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.  | Notices on members who has not supplied an address with in Sri Lanka |

151. 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. Notice on members having no registered address
152. 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. Notice may be sent to an address outside Sri Lanka
153. 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. Notice by advertisement
154. 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. Notice may also be served where so decided by the Directors, by facsimile, electronic mail or other electronic transmission as well as recorded delivery by hand or courier delivery. Mode of giving Notice by advertisement

#### ADMINISTRATORS

155. 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. Appointment of an Administrator

#### WINDING UP

156. (1) The Company may be Wound Up – Winding 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.
- (2) 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

157. (1) The Company may indemnify a Director or employee of the Company, for any costs incurred by him in any proceeding- Power to indemnify

- 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.

(2) The Company may also indemnify a Director or employee of the Company in respect of-

- a) liability to any person other than the 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.

(3) 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 in respect of- Power to effect insurance

- 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.

158. So long as the Shares of the Company are quoted on the Colombo Stock Exchange and/or in any other exchange within or outside Sri Lanka, 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 relevant Exchange shall prevail and be applicable to the Company. Rules and Regulation of the Colombo Stock Exchange shall apply to the Company

#### DECLARATION OF SECRECY

159. Every Director, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration Declaration of Secrecy

pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any Meeting of the Shareholders or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Presents mentioned or with the provisions of the Act.

### COMPLIANCE WITH THE RULES OF THE COLOMBO STOCK EXCHANGE

160. Notwithstanding anything to the contrary contained in these 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.

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**Names and Addresses  
of Shareholders**

**Signatures**

**C T HOLDINGS PLC**  
No. 08, Sir Chittampalam A. Gardiner Mawatha,  
Colombo 02,

(A Company incorporated in Sri Lanka)



Sgd. L.R. Page  
LOUIS RAJKUMAR PAGE  
Deputy Chairman

Sgd. V.R. Page  
VALENTINE RANJITKUMAR  
PAGE  
Managing Director

**CARGILLS (CEYLON) PLC**  
No. 40, York Street,  
Colombo 01,

(A Company incorporated in Sri Lanka)



Sgd. L.R. Page  
LOUIS RAJKUMAR PAGE  
Chairman

Sgd. V.R. Page  
VALENTINE RANJITKUMAR  
PAGE  
Deputy Chairman

This 31<sup>st</sup> day of October Two Thousand and Eleven.