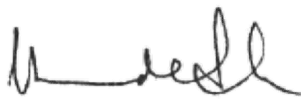


**As adopted by Special Resolution passed by the Shareholders of the  
Company on 5<sup>th</sup> February 2026**



.....  
**CHAIRMAN**

# **ARTICLES OF ASSOCIATION OF JANASHAKTHI LIMITED**

## **PRELIMINARY**

- A** The Rules for management of a Public Company limited by shares contained in the First Schedule (hereinafter referred to as ‘model articles’) of the Companies Act. No. 07 of 2007, shall not apply to the Company except so far as any particular matter concerned is not contained, modified, excluded or declared to be in applicable in these Articles. In the event of a conflict arising between the provision herein contained and the rules contained in the model articles, the provision herein contained shall prevail and shall be deemed to be the rules governing the Company.

## **SHARES**

### **1. Issue of shares**

- (1) Subject to articles 1 (2) and 1 (3), of these articles, the board may issue such shares to such persons as it thinks fit in accordance with section 51 of this Act. Where the shares confer rights other than those specified in subsection (2) of

section 49 of this Act, or impose any obligation on the holder, the board must approve terms of issue which set out the rights and obligations attached to the shares as required by subsection (2) of section 51.

- (2) Before it issues shares, the board must decide the consideration for which the shares will be issued. The consideration must be fair and reasonable to the company and to all existing shareholders.
- (3) Where the company issues shares which rank equally with or prior to existing shares, those shares must be first offered to the existing shareholders having recognized their *pre-emptive rights* in a manner which would, if accepted, maintain the relative voting and distribution rights of those shareholders. The offer must remain open for acceptance for a reasonable time.

## **2. Power to Acquire Own Shares**

- (1) The Company may purchase or acquire any of its own shares in accordance with the provisions of the Act.
- (2) The company may redeem a share in terms of Act, where terms of issue provide for such redemption.

## **3. Power to Consolidate and Sub-divide Shares**

The Company may by Ordinary Resolution

- (1) Consolidate all or any of its shares issued at the time, with the objective of reducing the number of shares in issue
- (2) Sub-divide (split) all or any of its shares issued at the time, with the objective of increasing the number of shares in issue

## **4. Calls on shares**

- (1) Where a share imposes any obligation on the holder to pay an amount of money —
  - (a) on a fixed date, the holder must pay that amount on that date;
  - (b) when called on to do so by the board, the board may at any time give written notice to the holder requiring the

payment to be made within a specified period of not less than twenty working days, and the payment must be made in accordance with that notice.

- (2) Any amount not paid by the aforesaid due date shall carry interest at a rate fixed by the board not exceeding ten *per cent per annum*, accruing on a daily basis until the full payment in relation to shares has been made to the Company. The board may waive off the requirement to pay interest by the shareholder in the aforementioned instance.
- (3) Joint holders of a share are jointly and severally liable for any payments to be made under paragraph (1) of this article.
- (4) The company has a lien on every share to which paragraph (a) of article 1 applies, and on every distribution payable in respect of that share, for all amounts presently due and payable to the company in respect of that share.
- (5) The company may sell in such manner as the board thinks fit, any shares on which the company has a lien, if—
  - (a) the company has given written notice of its intention to do so to the shareholder; and
  - (b) the shareholder has failed to make the payment in respect of which the lien has arisen, within ten working days of the giving of that notice.
- (6) The transfer may be signed on behalf of the purchaser by any person appointed to do so by the board, and the purchaser shall be registered as the holder of the shares transferred and his title shall not be affected by any irregularity or invalidity in the sale.
- (7) The proceeds of a sale under paragraph (4) of this article shall be received by the company and applied first in payment of the costs of sale, and then in payment of the amount in respect of which the lien arose. The remainder shall be paid to the person entitled to the shares, at the time of the sale.

## **5. Distributions**

- (1) The company may make distributions to shareholders in accordance with section 56 of the Act. Subject to paragraph (2) of this article, every dividend must be approved by the board

and by an ordinary resolution of the shareholders. The board must be satisfied that the company will immediately after the distribution, satisfy the solvency test. The directors who vote in favour of the distribution must sign a certificate of their opinion to that effect.

- (2) The board may from time to time approve the payment of an interim dividend to shareholders, where that appears to be justified by the company's profits, without the need for approval by an ordinary resolution of the shareholders. The board must be satisfied that the company will immediately after the interim dividend is paid, satisfy the solvency test. The directors who vote in favour of the interim dividend must sign a certificate of their opinion to that effect.
- (3) The company is deemed to have satisfied the solvency test if—
  - (a) it is able to pay its debts as they fall due in the normal course of business; and
  - (b) the value of its assets is greater than the sum of the value of its liabilities and its stated capital.
- (4) All dividends unclaimed for one (01) year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed by the respective shareholder or his/her/its heirs, executors or administrators and the Company shall not constitute a Trust in respect thereof. All dividends unclaimed for six (06) Years after having been declared shall be forfeited and shall revert to the Company.

**6. Share register, share certificates and transfer and transmission of shares**

- (1) The company must maintain a share register, which complies with section 123 of the Act. The share register must be kept at the registered office of the company or at any other place in Sri Lanka, notice of which has been given to the Registrar in accordance with subsection (4) of section 124 of the Act.
- (2) Where shares are to be transferred, a form of transfer signed by the holder or by his legal representative shall be delivered to the company. The transfer must be signed by the transferee if the share imposes any liability on its holder.

- (3) The board may resolve to refuse to register a transfer of a share within six weeks of receipt of the transfer, if any amount payable to the company in respect of the share is due but unpaid. If the board resolves to refuse to register a transfer for this reason, it must give notice of the refusal to the shareholder within one week of the date of the resolution.
- (4) Where a joint holder of a share dies, the remaining holders shall be treated by the company as the holders of that share. Where the sole holder of a share dies, that shareholder's legal representative shall be the only person recognized by the company as having any title to or interest in the share.
- (5) Any person who becomes entitled to a share as a consequence of the death, bankruptcy or insolvency or incapacity of a shareholder may be registered as the holder of that shareholder's shares upon making a request in writing to the company to be so registered, accompanied by proof satisfactory to the board of that entitlement. The board may refuse to register a transfer under this article in the circumstances set out in paragraph (3) of this article.
- (6) Where the company issues shares or the transfer of any shares is entered on the share register, the company must within two months complete and have ready for delivery a share certificate in respect of the shares.
- (7) Notwithstanding any provisions in these Articles suggesting the contrary, shares listed on the Colombo Stock Exchange shall be freely transferable and registration of the transfer of such listed shares shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- (8) The Company shall not register more than three persons as Joint holders (including the principal holder) of any shares (except in the case of executors, administrators or heirs of a deceased member).

## **MEETINGS OF SHAREHOLDERS**

### **7. Rules relating to meetings of shareholders**

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

## 8. Notice of meetings

- (1) Written notice of the date, time and place of a meeting of shareholders must be given to every shareholder entitled to receive notice of the meeting and to every director and the auditor of the company—
  - (a) not less than fifteen working days before the meeting, if the company is not a private company and it is intended to propose a resolution as a special resolution at the meeting;
  - (b) not less than ten working days before the meeting, in any other case.

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

- (2) The notice must set out—
  - (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it; and
  - (b) the text of any resolution to be submitted to the meeting.
  - (c) Any web link or online platform link which directs the shareholders to the online notice or login details of the intended meeting and/or other sufficient details, materials or any resolutions to be taken at the meeting if the meeting is intended to be conducted virtually.
- (3) An irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting, attend the meeting without protest as to the irregularity or if all the shareholders attended to the meeting agree to the waiver or in view of the secretary and the board, the Company in good faith has taken best possible and reasonable efforts to convey such notices to all the shareholders in terms of the Act and accordingly proceedings taken at any meeting shall not be invalidated.

- (4) If a meeting of shareholders is adjourned for less than thirty days, it is not necessary to give notice of the time and place of the adjourned meeting, other than by announcement at the meeting which is adjourned.
- (5) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting as long as the Secretary and the board in good faith have taken best possible and reasonable efforts to convey such notices in terms of the Act on behalf of the Company to the shareholders as a whole.

## **9. Methods of holding meetings**

A meeting of shareholders may be held either—

- (a) by a number of shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of audio, or audio and visual communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

## **10. Quorum**

- (1) Subject to paragraph (3) of this article, no business may be transacted at a meeting of shareholders if a quorum is not present.
- (2) A quorum for a meeting of shareholders is present if the shareholders or their proxies are present who are between them able to exercise a majority of the votes to be cast on the business to be transacted by the meeting.
- (3) If a quorum is not present within thirty minutes after the time appointed for the meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the directors may appoint. If at the adjourned meeting, a quorum is not present within thirty minutes after the time appointed for the meeting, the shareholders present or their proxies shall be deemed to form a quorum.

## **11. Chairperson**

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

## **12. Voting**

- (1) In the case of a meeting of shareholders held under paragraph (a) of article 9, unless a poll is demanded, voting at the meeting shall be by whichever of the following methods as determined by the chairperson of the meeting—
  - (a) voting by voice; or
  - (b) voting by show of hands.
- (2) In the case of a meeting of shareholders held under paragraph (b) of article 9, unless a poll is demanded, voting at the meeting shall be by shareholders signifying individually their assent or dissent by voice or any other symbolic manner acceptable based on the type of the meeting conducted
- (3) A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact, unless a poll is demanded in accordance with paragraph (4) of this article.
- (4) At a meeting of shareholders, a poll may be demanded by
  - (a) not less than five shareholders having the right to vote at the meeting; or
  - (b) a shareholder or shareholders representing not less than ten per centum of the total voting rights of all shareholders having the right to vote at the meeting.
- (4) A poll may be demanded either before or after the vote is taken on a resolution.

- (5) If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present and voting.
- (6) The chairperson of a shareholders' meeting is not entitled to a casting vote.

### **13. Proxies**

- (1) A shareholder may exercise the right to vote either by being present in person or by proxy.
- (2) A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.
- (3) A proxy must be appointed by notice in writing signed by the shareholder. The notice must state whether the appointment is for a particular meeting, or for a specified term.
- (4) No proxy is effective in relation to a meeting, unless a copy of the notice of appointment is given to the company not less than twenty four hours before the start of the meeting.

### **14. Minutes**

- (1) The board must ensure that minutes are kept either by way of written records taken by the Company secretaries of all proceedings at meetings of shareholders in the event of online meetings.
- (2) Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

### **15. Shareholders proposals**

Shareholders entitled to do so may give notice of the resolution to the company in accordance with section 142 of this Act and it shall be the duty of the company to give notice of the resolution or circulate the statement, or both, as the case may be, in accordance with section 142. The company is not required to give notice of a resolution or circulate a statement in the circumstances set out in subsections (4) or (5) of section 142.

**16. Corporations may act by representatives**

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

**17. Votes of joint holders**

Where two or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter, shall be accepted to the exclusion of the votes of the other joint holders.

**18. Loss of voting right if calls unpaid**

If a sum due to a company in respect of a share has not been paid, that share may not be voted at a shareholders' meeting other than a meeting of an interest group.

**19. Annual general meetings and extraordinary general meetings of shareholders**

- (1) Subject to paragraphs (2) and (3) of this article, the board must call an annual meeting of the company to be held —
  - (a) once in each calendar year;
  - (b) not later than six months after the balance sheet date of the company; and
  - (c) not later than fifteen months after the previous annual meeting.

The meeting must be held on the date on which it is called to be held.

- (2) The company need not hold its first annual meeting in the calendar year of its incorporation, but must hold that meeting within eighteen months of its incorporation.
- (3) An extraordinary meeting of shareholders entitled to vote on an issue may be called at any time by the board, and must be called by the board on the written request of shareholders

holding shares, carrying not less than ten per centum of votes which may be cast on that issue.

- (4) A resolution in writing signed by not less than eighty-five *per centum* of the shareholders entitled to vote on the resolution at a meeting of shareholders, who together hold not less than eighty-five per centum of the votes entitled to be cast on that resolution, is as valid as if it had been passed at meeting of those shareholders. The company need not hold an annual meeting if every thing required to be done at the meeting (by resolution or otherwise) is done by resolution and is in accordance with this clause.
- (5) Within five working days of a resolution being passed under paragraph (4) of this article, the company must send a copy of the resolution to every shareholder who did not sign it.
- (6) A resolution may be passed under paragraph (4) of this article without any prior notice being given to shareholders.

## **20. Voting in interest groups**

Where the company proposes to take action which affects the rights attached to shares within the meaning of section 99 of this Act, the action may not be taken unless it is approved by a special resolution of each interest group, as defined in this Act.

## **21. Shareholders entitled to receive distributions, exercise preemptive rights, and attend and vote at meetings**

- (1) The shareholders who are entitled to receive notice of a meeting of shareholders for any purpose shall be —
  - (a) if the board fixes a date for the purpose, those shareholders whose names are registered in the share register on that date;
  - (b) if the board does not fix a date for the purpose, those shareholders whose names are registered in the share register at the close of business on the day immediately preceding the day on which the notice is given.
- (2) A date fixed under paragraph (1) of this article should not precede by more than thirty working days, the date on which the meeting is to be held.

- (3) Before a meeting of shareholders, the company may prepare a list of shareholders entitled to receive notice of the meeting arranged in alphabetical order, and showing the number of shares held by each shareholder—
  - (a) if a date has been fixed under paragraph (1) of this article, not later than ten working days after that date; or
  - (b) if no such date has been fixed, at the close of business on the day immediately preceding the date on which the notice is given.
- (4) A person named in a list prepared under paragraph (3) of this article is entitled to attend the meeting and vote in respect of the shares shown opposite his name in person or by proxy, except to the extent that—
  - (a) that person has, since the date on which the shareholders entitled to receive notice of the meeting were determined, transferred any of his shares to some other person; and
  - (b) the transferee of those shares has been registered as the holder of those shares, and has requested before the commencement of the meeting that his or her name be entered on the list prepared under paragraph (3) of this article.
- (5) A shareholder may examine a list prepared under paragraph (3) of this article during normal business hours, at the registered office of the company.

## **DIRECTORS AND SECRETARY**

### **22. Appointment and removal of directors**

- (1) Until otherwise determined by the Company at a General Meeting the minimum number of Directors shall be Two and the maximum shall not be more than Eleven.

- (2) The Board may from time to time appoint any qualified person to be a Director either to fill a casual vacancy or by way of addition to the Board but so that the maximum number fixed by or under these Articles shall not be thereby exceeded.
- (3) Any director so appointed shall hold office until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.
- (4) Rotation of Directors
  - (a) One-third of the Directors for the time being or, if their number is not three, or a multiple of three, then the number nearest one-third shall, retire from office at every Annual General Meeting.
  - (b) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
- (5) A director may resign by delivering a signed written notice of resignation to the registered office of the company. Subject to section 208 of this Act, the notice is effective when it is received at the registered office or at any later time specified in the notice.
- (6) A director vacates office if he—
  - (a) resigns in accordance with paragraph (3) of this article;
  - (b) is removed from office in accordance with the provisions of the Companies' Act or these articles;
  - (c) becomes disqualified from being a director pursuant to section 202 of the Companies' Act;
  - (d) dies;
  - (e) vacates office pursuant to subsection (2) of section 210 of the Companies' Act, on the ground of his age;
  - (f) is requested in writing by all his co-directors to resign.

**23. Alternate Directors**

- (1) A Director who is out of Sri Lanka or about to go out of Sri Lanka or if he is unable to attend to his duties as a Director may by notice in writing under his hand and subject to the approval of the rest of the Board of the Directors appoint another person to be an Alternate Director of the Company to act for him. The said notice of appointment may specify a date or event upon the happening of which such person shall cease to be his Alternate Director.
- (2) A Director may, by notice in writing under his hand, at any time remove his Alternate Director, subject to the approval of the Board.
- (3) The remuneration or allowance or any other payment to be made to an Alternate Director shall from time to time be determined by the Directors.
- (4) An Alternate Director need not hold any qualification shares but he shall ipso facto cease to be an Alternate Director in the event of the appointor ceasing to be a Director.
- (5) An Alternate Director appointed to act in place of an Executive Director of the Company, shall not, by virtue of such appointment assume the function of his appointor as an Executive of the Company unless the Board shall otherwise determine.

**24. Power and duties of directors**

- (1) Subject to section 185 of the Act which relates to major transactions, the business and affairs of the company shall be managed by or under the direction or supervision of the board. The board shall have all the powers necessary for managing and for directing and supervising the management of the business and affairs of the company.
- (2) The board may delegate to a committee of directors or to a director or employee any of its' powers which it is permitted to delegate under section 186 of this Act.

- (3) The Directors may arrange terms for the amalgamation or otherwise implement the amalgamation of the Company with any other Company or individual.
- (4) The directors have the duties set out in the Act, and in particular—
  - (a) each director must act in good faith and in what he believes to be the best interest of the company;
  - (b) no director shall act or agree act, in a manner that contravenes any provisions of this Act or these articles.

## **25. Interested directors**

- (1) A director who is interested in a transaction to which the company is a party must disclose that interest in accordance with section 192 of this Act.
- (2) Subject to paragraph (3) of this article, a director of a company is interested in a transaction to which the company is a party, if, and only if, the director—
  - (a) is a party to or will or may derive a material financial benefit from the transaction;
  - (b) has a material financial interest in another party to the transaction;
  - (c) is a director, officer or trustee of another party to, or person who will or may derive a material financial benefit from the transaction, not being a party or person that is—
    - (i) the company's holding company, being a holding company of which the company is a wholly-owned subsidiary;
    - (ii) a wholly-owned subsidiary of the company; or
    - (iii) a wholly-owned subsidiary of a holding company of which the company is also a wholly-owned subsidiary;

- (d) is the parent, child or spouse of another party to or person who will or may derive a material financial benefit from the transaction; or
  - (e) is otherwise directly or indirectly materially interested in the transaction.
- (3) A director of a company is not interested in a transaction to which the company is a party, if the transaction comprises only the giving by the company of security to a third party which has no connection with the director, at the request of the third party, in respect of a debt or obligation of the company for which the director or another person has personally assumed responsibility in whole or in part, under a guarantee, indemnity or by the deposit of a security.
- (4) Paragraph (2) of this article does not apply to any remuneration or other benefit given to a director in accordance with section 216 of the Act, or, to any insurance or indemnity provided in accordance with section 218 of the Act.
- (5) A director of a company who is interested in a transaction entered into or to be entered into by the company, may—
  - (a) vote on a matter relating to the transaction;
  - (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purpose of a quorum;
  - (c) sign a document relating to the transaction on behalf of the company; and
  - (d) do any other thing in his capacity as a director in relation to the transaction, as if he were not interested in the transaction.
- (6) A director of a company who has information in his capacity as a director or employee of the company which would not otherwise be available to him, must not disclose that information to any person or make use of or act on the information, except—
  - (a) for the purposes of the company;

- (b) as required by law; or
  - (c) in accordance with paragraph (7) of this article.
- (7) A director of a company may disclose, make use of or act on information if—
- (a) the director is first authorized to do so by the board under paragraph (8) of this article; and
  - (b) particulars of the authorization are entered in the interests register.
- (8) The board may authorize a director to disclose, make use of or act on information, if it is satisfied that to do so will not be likely to prejudice the company.
- (9) A director must disclose all dealings in shares of the company in which he has a relevant interest, in accordance with sections 198, 199 and 200 of the Act.

**26. Procedure at meetings of directors**

- (1) Articles 27 to 33 sets out the procedure to be followed at meetings of directors.
- (2) A meeting of directors may determine its own procedure, to the extent that it is not governed by these articles.

**27. Chairperson**

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

**28. Notice of meeting**

- (1) A director, the secretary or if requested by a director to do so, an employee of the company, may convene a meeting of the board by giving notice in accordance with this article.
- (2) Not less than twenty-four hours notice of a meeting of the board must be given to every director who is in Sri Lanka.
- (3) An irregularity in the notice of a meeting is waived if all directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all directors entitled to receive notice of the meeting agree to the waiver.

**29. Methods of holding board meetings**

A meeting of the board may be held either—

- (a) by a number of the directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of audio or audio and visual communication via electronic application form and online by which all directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

**30. Quorum**

- (1) A quorum for a meeting of the board shall be two (02).
- (2) No business may be transacted at a meeting of directors if a quorum is not present.

**31. Voting**

- (1) Every director has one vote.
- (2) The chairperson has a casting vote.
- (3) A resolution of the board is passed if it is agreed to by all directors present without dissent or if a majority of the votes cast on it are in favour of it.

- (4) A director present at a meeting of the board is presumed to have agreed to and to have voted in favour of a resolution of the board, unless he or she expressly dissents from or votes against the resolution at the meeting.

### **32. Minutes**

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

### **33. Unanimous resolution**

- (1) A resolution in writing signed majority of the directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held.
- (2) Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form, each signed or assented to by one or more directors.
- (3) A copy of any such resolution must be entered in the minute book of board proceedings.
- (4) The resolutions also could be considered valid when such resolutions are approved on BoardPAC or other similar Computer Software Applications.

### **34. Managing Director and other Executive Directors**

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

- (3) A director who holds office as managing director ceases to hold office as managing director, if he ceases to be a director of the company.
- (4) The managing director shall be paid such remuneration as may be agreed between him and the board. His remuneration may be by way of salary, commission, participation in profits or any combination of these methods or any other method of fixing remuneration.
- (5) The board may delegate to the managing director, subject to any conditions or restrictions which they consider appropriate, any of their powers which can be lawfully delegated. Any such delegation may at any time be withdrawn or varied by the board. The delegation of a power of the board to the managing director does not prevent the exercise of the power by the board, unless the terms of the delegation expressly provide otherwise.
- (6) A director other than the managing director who is employed by the company shall be paid such remuneration as may be agreed to between him and the board. His remuneration may be by way of salary, commission, participation in profits or any combination of these methods or any other method of fixing remuneration.

### **35. Secretary**

- (1) The company must at all times have a secretary.
- (2) The board may appoint the secretary for such term and on such conditions as it thinks fit. The remuneration of the secretary shall be agreed to by the board and the secretary.
- (3) The board may remove the secretary at any time by giving reasonable prior notice.
- (4) The secretary may not be —
  - (a) the sole director of the company; or
  - (b) a corporation, the sole director of which is the sole director of the company.

- (5) Where the Act or these articles require something to be done by a director and the secretary, it is not satisfied by the same person doing that thing acting in both capacities.

## ACCOUNTS AND AUDIT

### **36. ACCOUNTING RECORDS, FINANCIAL STATEMENTS, AUDIT ETC.**

- (1) The board must ensure that the company keeps accounting records which —
- (a) correctly record and explain the company's transactions;
  - (b) will at any time enable the financial position of the company to be determined with reasonable accuracy;
  - (c) will enable the board to prepare financial statements in accordance with this Act; and
  - (d) will enable the financial statements of the company to be readily and properly audited.
- (2) The accounting records must comply with subsection (2) of section 148 of this Act.
- (3) The board shall ensure that within five months after the balance sheet date of the company, financial statements which comply with section 151 of the Act (and if applicable, group financial statements which comply with section 153 of the Act) are completed in relation to that balance sheet date and are dated and signed on behalf of the board by two directors or if the company has only one director, by that director.
- (4) At every annual meeting, the company must appoint an auditor for the following year in accordance with section 154 of the Act. An auditor who is appointed at an annual meeting is deemed to be reappointed at the following annual meeting, unless —
- (a) he is not qualified for re-appointment;
  - (b) the company resolves at that meeting to appoint another person in his place; or
  - (c) the auditor has given notice to the company that he does not wish to be re-appointed.

- (5) The board must within five months after the balance sheet date of the company, prepare an annual report on the affairs of the company during the accounting period ending on that date which complies with section 166 of this Act. The board must send a copy of the annual report to every shareholder not less than twenty working days before the date fixed for holding the annual meeting of shareholders.

## **LIQUIDATION AND REMOVAL FROM THE REGISTER**

### **37. Resolution to appoint liquidator**

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

### **38. Distribution of surplus assets**

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

## **MISCELLANEOUS**

### **39. Documents to be kept by company**

- (1) The company must keep at its registered office or at some other place notice of which has been given to the Registrar in accordance with subsection (4) of section 116 of the Act, the following documents :—
  - (a) the certificate of incorporation and the articles of the company;
  - (b) minutes of all meetings and resolutions of shareholders within the last ten years;

- (c) an interests register, unless it is a private company which has dispensed with the need to keep such a register;
  - (d) minutes of all meetings and resolutions of directors and directors' committees within the last ten years;
  - (e) certificates given by directors under this Act within the last ten years;
  - (f) the register of directors and secretaries required to be kept under section 223 of this Act;
  - (g) copies of all written communication to all shareholders or all holders of the same class of shares during the last ten years, including annual reports prepared under article 36(5);
  - (h) copies of all financial statements and group financial statements required to be completed under this Act for the last ten completed accounting periods of the company;
  - (i) the copies of instruments creating or evidencing charges and the register of charges required to be kept under sections 109 and 110 of this Act;
  - (j) the share register required to be kept under section 123 of the Act; and
  - (k) the accounting records required by section 148 of this Act for the current accounting period and for the last ten completed accounting periods of the company.
- (2) The references in paragraph (1) of this article to "ten years" and to "ten completed accounting periods" shall include such lesser periods as the Registrar may approve, by notice in writing to the company.

**40. Rights of directors and shareholders to documents etc.**

- (1) The directors of the company are entitled to have access to the company's records in accordance with section 118 of the Act.
- (2) A shareholder of the company is entitled—
  - (a) to inspect the documents referred to in section 119 of the Act, in the manner specified in section 121 of the Act; and

- (b) to require copies of or extracts from any document which he may inspect, within five working days of making a request in writing for the copy or extract, on payment of any reasonable copying and administration fee determined by the company. The fee may be determined by any director or by the secretary, subject to any directions from the board.

#### **41 Name of company**

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

#### **42. Notices**

- (1) Where the company is required to send any document to a shareholder or to give notice of any matter to a shareholder, it shall be sufficient for the company to send the document or notice to the registered address of the shareholder by ordinary post. Any document or notice so sent is deemed to have been received by the shareholder within three working days of the posting of a properly addressed and prepaid letter containing the document or notice.
- (2) A shareholder whose registered address is outside Sri Lanka may give notice to the company of an address in Sri Lanka to which all documents and notices are to be sent, and the company shall treat that address as the registered address of the shareholder for all purposes.
- (3) A document may be sent or notice given by the company to the joint holders of a share, by giving the notice to the holder first named on the share register in respect of the share.
- (4) Where a shareholder has died or has become bankrupt or insolvent, the company may continue to send all notices and documents in respect of his shares addressed to him at his registered address, notwithstanding that some other person has by reason of the death, bankruptcy or insolvency, become entitled to those shares, or may send any notice or document to an address to which that other person requests the company to send such notices.

- (5) A copy of every notice or document sent to all shareholders must be sent to the auditor of the company.
- (6) Where notice is given by an advertisement, such advertisement, shall be published in Sinhala, Tamil and English national daily newspapers.
- (7) Article 42(6) is applicable so long as the Company is listed on the Colombo Stock Exchange.

#### **43. Borrowing Powers**

The directors may from time to time at their discretion raise borrow or secure the payment of any sum or sums of money and obtain other accommodation for the purpose of the company and may give security charged upon or all or any part of the company's assets both present and future including its uncalled capital for the time being or in such other manner and upon such terms and conditions an all respect as the directors may think fit.

#### **44 Seal**

The directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or of a committee of the directors authorized by the directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose or by the person appointed by the directors for the purpose together with the secretary.

#### **45 Insurance and indemnity**

- (1) The company shall indemnify every director, auditor and secretary of the company for the time being against any costs incurred in the course of defending any proceeding that relates to any act or omission in his capacity as director, auditor or secretary, in which judgment is given in his favour or in which, he is acquitted or which is discontinued.
- (2) The company may indemnify a director or employee in circumstances where paragraph (1) does not apply, to the extent permitted by subsection (3) of section 218 of the Act, if the board considers it appropriate to do so.

**46. Compliance with Rules**

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

**47. Interpretation**

In these articles “the Act” means the Companies Act, No. 07 of 2007, and terms which are defined in the Act, shall have the same meaning in these articles.