

True copy
R P P

Rathnasamy Priyadarshani
Company Secretary
ABANS FINANCE PLC
No: 456, R.A. De Mel Mawatha,
Colombo 03.
05/12/2025

ARTICLES OF ASSOCIATION

OF

ABANS FINANCE PLC

A. NAME

1. The name of the Company is "ABANS FINANCE PLC".

B. REGISTERED OFFICE

2. The Registered Office of the Company will be situated in the District of Colombo.

C. OBJECTS

3. The objects for which the Company is established are:-

(1.) To carry on Finance business only in conformity with the provisions of the Finance Business Act No. 42 of 2011 together with any amendments thereto and every other statute that may repeal, substitute and replace it and the directions and rules issued thereunder and other relevant regulations or of any other law applicable to such business. *Amended by Special Resolution on 17/03/2016*

- (2.) To enter into arrangements with persons (including corporations and other institutions) for the sale or purchase of any goods , articles, vehicles or other things either by buying , selling , letting on hire , hire purchase on easy payment systems or by lease financing or otherwise assisting such persons , to purchase sell , let on hire , hire purchase on easy payment systems or lease, as may be deemed expedient and for any of those purposes to advance or lend money and give guarantees or security or otherwise finance or assist any such purposes.
- (3.) To advance, deposit or lend and to accept advances, deposits and loans of money, securities or property to with or from such persons and with or without security and on such terms as may seem expedient and to discount buy, sell and deal in bills, notes, warrants coupons and other negotiable or transferable securities.
- (4.) To guarantee or become liable for the payment of money or performance of any obligations and generally to transact all kinds of guarantee business and as security for such guarantees and to deposit, pledge, charge or mortgage any property securities or assets of the company.
- (5.) To purchase or otherwise acquire and sell, exchange, surrender, lease, hire mortgage, charge, improve manage, convert, turn to account dispose of and deal with property rights and actions of all kinds.
- (6.) To act as agents for the investments, loan payment, transmission and collections of money and for the purchase, sale, improvement, development and management of property, including business concerns and undertaking and generally to transact and undertake all kinds of agency business whether in respect of agricultural, manufacturing, commercial or financial matters and to carry on the business or representatives or Agents of Insurers and underwriters.
- (7.) To subscribe for conditionally or unconditionally , underwrite issue , on commission or otherwise take, hold ,deal , in and convert Government Securities , stocks , shares and securities of all kind and to enter into partnership or into any arrangements for the sharing of profits , union of interests, reciprocal, concession or co-operation with any person partnership or company and to promote and aid in promoting , constitute , form or organise , companies , syndicate or partnerships of all kinds , for the purposes of acquiring and undertaking any property and liability of this Company advancing directly or indirectly the objects or for any other purposes which this Company may think expedient.
- (8.) To otherwise carry on the business as financiers, concessionaries and merchants and to undertake, carry on and execute all kind of financial, commercial, trading, pawn broking (after obtaining necessary approval) and other operations and to carry on any other business which may seem capable of being conveniently carried on in connection with any of these objects or calculated directly or indirectly to enhance the value of or facilitate the realization of or render profitable any of the Company's business or rights.

- (9.) To carry on any other business whatsoever which are ancillary to or are capable of being conveniently carried on in connection with the Company's business or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights;
- (10.) To purchase , take on lease or in exchange , hire or otherwise acquire any real and personal property and any rights or privileges including any patents , patent rights , trade marks , designs , licenses , concessions , and the like which the Company may think necessary or convenient for the purpose of its business or may enhance the value of the property of the Company , or the acquisition of which may seem calculated directly or indirectly to benefit the Company or augment its business;
- (11.) To carry on any business or branch of a business which the Company is authorised to carry on by means, or through the agency of, any subsidiary company or companies, and to organise, promote and incorporate such subsidiary company or companies, and to enter in to any arrangement with such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities , or to make any other arrangements which may seem desirable with reference to any business or branch so carried on including power at any time and either temporarily or permanently to close any such branch or business;
- (12.) To enter into any arrangements with any governments or authorities, municipal, local or otherwise, or in any person or company that may seem necessary or conducive to carrying out the objects of the Company, or any of them, and to obtain from any such government, authority , person or company and rights , privileges, charters , contracts, licenses and concessions which the company may think desirable to obtain and to carry out exercise and comply therewith;
- (13.) To procure the Company to be registered or recognised in any country or outside Sri Lanka and to do all or any of the matters and things mentioned in preceding sub- paragraphs in any part of the world , and either as principals ,agents, trustees , contractors or otherwise and either alone in conjunction with others either by or through agents , sub- contractors, trustees or otherwise;
- (14.) To act as trustees, executors or administrators either alone or with others and either for general or special purposes or as custodian trustee, or under settlements or as a trustee for debenture holders, under debenture trust deeds or for the purpose of any kind of trust, to undertake and execute trusts of all kinds and the conduct of any business connected with trusts of any description or the estates of deceased persons.

D. LIMITED LIABILITY

4. The liability of members is limited.

E. SHARES

5.

- 1) Subject to articles 5 (2) and 5 (3), of these articles, the board may issue such shares to such persons as it thinks fit in accordance with section 51 of the Act. Where the shares confer rights other than those specified in subsection (2) of section 49 of 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 offered to the holders of the existing shares in a manner which would, if accepted, maintain the relative voting and distribution rights of those shareholders, unless the shareholders have by special resolution resolved otherwise. The offer must remain open for acceptance for a reasonable time.

*Amended by
Special Resolution
on 17/03/2016*

6. Certificates

- 1) Every Shareholder and every Debenture holder shall be entitled without payment to receive within two (2) months from the date of allotment of shares or debentures or debenture-stock as the case may be or the lodgment of a valid transfer of shares or debentures or debenture -stock (or within such other period as the Terms of Issue may provide or in the case of shares or debentures quoted on the Colombo Stock Exchange within such period as may be stipulated by the Colombo Stock Exchange) one Certificate for all his shares of any one class or debentures or debenture-stock and upon payment of such sum as specified at the discretion of the Board for every Certificate after the first as the Board may from time to time determine several Certificates, each for one or more of his shares of any one class or debentures or debenture-Stock.
- 2) Where a Shareholder or Debenture holder transfers only a part of the shares or debentures comprised in a certificate, the old certificate shall be cancelled and a new certificate for the balance of such shares shall be issued in lieu without charge unless the Terms of Issue of such shares or debentures provide otherwise.
- 3) The Company shall not register more than three persons as the joint-holders (including the principal holder) of any shares (except in the case of the executors, administrators or heirs of a deceased member). In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefore and delivery of a certificate to one of

such persons or his duly authorized representative shall be sufficient delivery to all.

- 4) Every certificate issued by the Company for shares, debentures or certificates representing any other form of security shall be executed by any one Director and the Secretary under the Common Seal of the Company and shall specify the shares or debentures (as the case may be) to which it relates and the amount paid up thereon.
- 5) If a share or debenture certificate be defaced, lost or destroyed it may be renewed on payment of such fee (if any) as specified at the discretion of the Board 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 Board thinks fit unless the Terms of Issue of such shares or debentures otherwise provide.

7. 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 due date shall carry interest at a rate fixed by the board not exceeding ten per cent per annum, accruing daily. The board may waive payment of interest.
- 3) Joint holders of a share are jointly and severally liable for any payments to be made under paragraph (1) of this article.
- 4) The company has a lien on every share to which paragraph (1) of this article 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.

- (c) 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.
- 6) The proceeds of a sale under paragraph (5) of this article shall be received by the company and applied first in payment of the costs of sale, and then in payment of the amount in respect of which the lien arose. The remainder shall be paid to the person entitled to the shares, at the time of the sale.
- 7) The rights and entitlements attached to shares shall not be varied without the consent of at least three fourths of the holders of such shares by way of a special resolution.

8. Distributions.

- 1) The company may make distributions to shareholders in accordance with section 56 of this 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.

9. Share register, and transmission of shares

- 1) The company must maintain a share register, which complies with section 123 of this 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 this 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) 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.
- 4) 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.
- 5) The company may at any time purchase or otherwise acquire its own shares in the manner as the Board of Directors may decide. Such purchase or acquisition by the company of its own shares shall satisfy the requirements of the Act.
- 6) The Company may redeem a redeemable share in the manner as the Board of Directors may determine.
- 7) Notwithstanding any provision 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.

10 (1) Repurchase of shares

- a) The Company may agree to purchase or otherwise acquire any of its own shares subject to the approval of the Shareholders by Ordinary Resolution.

10 (2) Reduction of capital

- a) The Company may by Special Resolution reduce its capital in such manner as authorized by the Act subject to Finance Companies (Minimum Core Capital) Direction No.01 of 2006 and any other Direction issued under the Finance Business Act No. 42 of 2011 together with any amendments thereto and every other statute that may repeal, substitute and replace it *Amended by Special Resolution on 17/03/2016*

F. MEETING OF SHAREHOLDERS**11. 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.

12. Notice of meetings of shareholders

- (1.) Written notice of the time and place of a meeting of shareholders shall be given to every shareholder entitled to receive notice of the meeting and to every director and the auditor of the Company -
 - a) not less than fifteen (15) working days before the meeting if such meeting is the Annual General Meeting or if it is intended to propose a resolution as a special resolution at that meeting ;
 - b) not less than ten (10) working days before the meeting , in any other case.
 - c) PROVIDED however any such meeting may be called by a shorter notice if the provisions of sub- section (3) of section 135 of the Act are complied with.
- (2.) The notice shall 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.
- (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 such shareholders agree to the waiver.
- (4.) If a meeting of shareholders is adjourned for less than thirty (30) days, it is not necessary to give notice of the time and place of the adjourned meeting, other than by announcement at the meeting which is adjourned.

13. Methods of holding General 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.

14. Quorum at General Meetings

- (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 three (03) shareholders are present in person or by proxy.
- (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.

15. Chairperson at General Meetings

The Chairperson of the Board of Directors or another person nominated by the Board shall chair all the meetings of shareholders.

16. Voting at General Meetings

- (1) In the case of a meeting of shareholders held under paragraph (a) of Article 12, 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 12, unless a poll is demanded, voting at the meeting shall be by shareholders signifying individually their assent or dissent by voice.
- (3) A declaration by the Chairperson of the meeting that the requisite majority carries a resolution 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) the Chairperson of the meeting; or
 - (b) not less than three (03) shareholders having the right to vote at the meeting ; or
 - (c) a shareholder or shareholders representing not less than ten *per centum* (10%) of the total voting rights of all shareholders having the right to vote at the meeting.
- (5) A poll may be demanded either before or after the vote is taken on a resolution.
- (6) If a poll is taken, votes shall be counted according to the votes attached to the shares of each shareholder present and voting.
- (7) The Chairperson of a shareholders' meeting shall be entitled to a casting vote.

17. 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.

ABANS FINANCE PLC.

I/We..... of being a Member/Members of the above-named Company, hereby appoint of.....or failing him of..... or failing him of as my/ our proxy to vote for me/us on my /our behalf at the Annual/ Extraordinary General meeting of the company to be held on theday of 20.... And at any adjournment thereof

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

- (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.

18. Minutes

- (1) The board must ensure that minutes are kept of all proceedings at meetings of shareholders.
- (2) Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

19. 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.

20. 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.

21. 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.

22. 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.

23. Annual General Meetings and Extraordinary General Meetings of shareholders

- (1) Subject to paragraphs (2) and (3) of this Article, the Board shall call an annual general meeting of the Company to be held -

- (a) once in each calendar year;
 - (b) not later than six months after the Balance Sheet Date of the Company; and
 - (c) not later than fifteen months after the previous Annual General Meeting.
- (2) The Company need not hold its first annual meeting in the calendar year of its incorporation, but shall 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 shall be called by the Board on the written request of shareholders holding shares, carrying not less than ten *per centum* (10%) of votes which may be cast on that issue.

24. Resolutions in writing

- (1) A resolution in writing signed by not less than eighty - five *per centum* (85% of the shareholders entitled to vote on the resolution at a meeting of shareholders, who together hold not less than eighty - five (85%) 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 general meeting if everything required to be done at the meeting (by resolution or otherwise) is done by resolution and is in accordance with this Article. Such resolution in writing 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 shareholders or their authorised signatories or attorneys.
- (2) Within five working days of a resolution being passed under paragraph (1) of this Article, the Company shall send a copy of the resolution to every shareholder who did not sign it (in compliance with section 144 of the Act).
- (3) A resolution may be passed under paragraph (1) of this Article without any prior notice being given to shareholders.

25. Shareholders entitled to receive distributions, exercise pre-emptive 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.

G DIRECTORS AND SECRETARY

Appointment and removal of Directors

(1) The Directors shall not be less than five nor more than thirteen in number subject to the Finance Companies (Corporate Governance) Direction No.3 of 2008 or any further Directions issued under the Finance Business Act No. 42 of 2011 together with any amendments thereto and every other statute that may repeal, substitute and replace it

*Amended by
Special Resolution
on 17/03/2016*

(2) A Director may be appointed or removed by ordinary resolution passed at a meeting called for the purpose or by a written resolution in accordance with paragraph (4) of article 18. The shareholders may only vote on a resolution to appoint a director if –

(a) the resolution is for the appointment of one Director; or

- (b) the resolution is a single resolution for the appointment of two or more persons as Directors, and a separate resolution that it be so voted on has first been passed without a vote being cast against it.
- (3) 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.
- (4) 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 this Act or these articles;
 - (c) becomes disqualified from being a Director pursuant to section 202 of this Act and the Finance Companies (Corporate Governance) Direction No.3 of 2008 or any further Directions issued under the Finance Business Act No. 42 of 2011 together with any amendments thereto and every other statute that may repeal, substitute and replace it.
 - (d) dies; or
 - (e) vacates office pursuant to subsection (2) of section 210 of this Act, on the ground of his age.
- (5) The Board 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 any time exceed the maximum number fixed by or under these Presents. Any Director so appointed shall hold office until the next Annual General Meeting and shall then be eligible for election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

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Amended by Special
Resolution on
17/03/2016

27. Appointment of Alternate Directors

- 1) Any director may at any time by notice in writing left at the office appoint a person approved by the directors or a person who is already a director of the Company to be an alternate director of the Company to act in his place and the following provisions of this article shall apply to any person so appointed.
- 2) If an alternative director is appointed to represent an independent non - executive director, the person so appointed shall also meet the criteria that apply to the independent non- executive director.

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 as 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.

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 to perform all the functions of his appointer as a director in the absence of such appointer. An alternate director shall be taken into account in determining whether a quorum is present at meetings of the directors at which he attends.

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) if his appointer ceases for any reason to be a Director;
- (b) if the alternate director shall have a receiving order made against him or compounds with his creditors or is adjudicated an insolvent;
- (c) if the alternate director be lunatic or become of unsound mind;
- (d) if the appointment of the alternate director is revoked by his appointer by a notice in writing left at the office.

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 subject to the Finance Companies (Corporate Governance) Direction No.3 of 2008 or any further Directions issued under the Finance Business Act No. 42 of 2011 together with any amendments thereto and every other statute that may repeal, substitute and replace it.

*Amended by
Special Resolution
on 17/03/2016*

- (3) The Directors have the duties set out in the Act, and in particular –
- (a) each director must act in good faith and in what he believes to be the best interest of the company;
 - (b) no Director shall act or agree to the company to Act, in a manner that contravenes any provisions of this Act or these articles.

29. 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 the 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 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.

(6) A Director of the company, or any of his relatives or a concern in which he has substantial interest, is interested in a transaction entered into or to be entered into by the company, shall –

- (a) abstain from voting on any Board resolution in relation to such 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; However he shall not be counted in the quorum for the relevant agenda item at the Board meeting.
- (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.

30. Procedure at meetings of Directors

- (1) Articles 31 to 37 sets out the procedure to be followed at meetings of Directors.

*Amended by Special
Resolution on
17/03/2016*

- (2) A meeting of Directors may determine its own procedure, to the extent that it is not governed by these articles and the Finance Companies (Corporate Governance) Direction No.3 of 2008 or any further Directions issued under the Finance Business Act, No. 42 of 2011 together with any amendments thereto and every other statute that may repeal, substitute and replace it.

31. 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,

32. 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) A notice of at least 7 days should be given of a regular Board meeting and for all other Board meetings a reasonable notice shall be given.

33. Methods of holding 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 by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

34. Quorum

- (1) A quorum necessary for the transaction of business at a meeting of the Board may be fixed by the Directors and unless so fixed at any other number, the quorum shall be two (02) Directors. At least one half of the number of Directors constituting the Quorum at a meeting shall be Non-Executive Directors.
- (2) No business may be transacted at a meeting of Directors if a quorum is not present.

25. 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.

26. Minutes of the board meetings.

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

27. Unanimous resolution

- (1) A resolution in writing signed or assented to by all Directors entitled to receive notice of a Board meeting, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held.
- (2) Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form; each signed or assented to by one or more Directors.
- (3) A copy of any such resolution must be entered in the minute book of Board proceedings.

28. Managing Director and other Executive Directors

- (1) The Board may from time to time appoint a Director, who is not the Chairman of the Board of Directors, as Managing Director for such period and on such terms as it thinks fit.
- (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.

39. 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.
- (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.

H. ACCOUNTS AND AUDIT

40. Accounting records, financial statements, audit, etc

- (1) The Board shall 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 the Act; and
 - (d) will enable the financial statements of the Company to be readily and properly audited.
- (2) The accounting records shall comply with subsection (2) of section 148 of the Act.

- (3) The Board shall ensure that within 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 shall 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 re-appointed 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 shall within six (06) 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 the Act .The Board shall send a copy of the annual report to every shareholder not less than fifteen (15) working days before the date fixed for holding the annual meeting of shareholders.

L LIQUIDATION AND REMOVAL FROM THE REGISTER

41. Resolution to appoint liquidator

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

42. 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.

J. MISCELLANEOUS

43. Documents to be kept by Company

- (1) The Company shall 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 the Act within the last ten years;
 - (f) the register of directors and secretaries required to be kept under section 223 of the 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 section 166;
 - (h) copies of all financial statements and group financial statements required to be completed under the Act for the last ten years 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 the 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 the 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.

45. 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.

46. Method of Contracting

- (1) A contract or other enforceable obligation may be entered in to by the Company in writing signed under the name of the Company by -
 - (a) two directors of the Company;
 - (b) a director and the Secretary of the Company;
 - (c) a director and another officer of the Company

as may be authorised by a resolution of the Board of Directors as may be evidenced by a certified copy thereof issued by the Chairman or a Director and countersigned by the Secretary or another Director.

- (2) The Board shall provide for the safe custody of the seal and the seal only be used by the authority of the Board or of a committee of directors authorised by the Board in that behalf. Subject to the provisions of the other subparagraphs (1) and (3), the seal of the Company shall not be affixed to any deed, certificate for shares, debenture or other form of security or other instrument except in the presence of two or more of the directors or of one director and the secretary who shall attest the sealing thereof.
- (3) Any document sealed or otherwise executed in accordance with the foregoing provisions of this Article shall be presumed to have been duly executed by the Company notwithstanding any other provisions contained in any other Articles of Association of the Company.

46. 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 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 the address as the registered address of the shareholder for all purposes. All notices required to be sent by the Company to its shareholders shall be sent only to those shareholders whose registered addresses are within Sri Lanka
- 3) A document may be sent or notice given by the Company to the joint holders of a share, by giving 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 requests the Company to send such notices.
- 5) A copy of every notice or document sent to all shareholders shall be sent to the auditor of the Company.
- 6) However, where notice is given by an advertisement, such advertisement, shall be published in Sinhala, Tamil and English national daily newspapers
- 7) 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. Insurance and Indemnity

- (1) The Company may indemnify a director or employee of the Company or a related Company -
 - (a) for any costs incurred by him in any proceeding -
 - (i) that relates to liability for any act or omission in the capacity as director or employee; or
 - (ii) in which judgment 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.
 - (b) in respect of
 - (i) liability to any person other than the Company, for any act or omission in his capacity as a director or employee; or
 - (ii) costs incurred by that director or employee in defending or settling any claim or proceeding relating to any such liability

not being 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.

- (2) The Company may with the prior approval of the Board effect insurance for a director or employee of the Company or a related company in respect of -
- (a) liability not being criminal liability , for any act or omission in his capacity as a director or employee;
- (b) costs incurred by that director or employee in defending or settling any claim or proceeding relating to any such liability; or
- (3) For the purpose of this Article -

"director" includes a former director;

"effective insurance" includes the payment , whether directly or indirectly of the costs of the insurance;

"employee " includes a former employee

"indemnify" includes relief or excuse from liability , whether before or after the liability arises and *"indemnify"* has a corresponding meaning.

4. Interpretation

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 and Companies

The term "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.