



ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජය  
இலங்கை சனநாயக சோசலிசக் குடியரசு  
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

සමාගම් හට අදාළ  
නව අංකයේ අංකය  
New No. of Company

පී 0 7

P Q

සමාගම් හට අදාළ  
පැරණි අංකයේ අංකය  
Old No. of Company

එන්(පීඑස්/සීබී) 172  
N(PBS/CGB)

2007 අංක 7 දරණ සමාගම් පනත  
2007ஆம் ஆண்டின் 7ஆம் இலக்கக் கம்பெனிகள் சட்டம்  
The Companies Act, No. 7 of 2007

සංස්ථාපන සිරිමි සහතිකය  
கூட்டிணைப்புச் சான்றிதழ்  
CERTIFICATE OF INCORPORATION

(485(6)වගන්තිය අනුව)  
(பிரிவு 485(6) இல் பிரகாரம்)  
(Pursuant to Section 485(6))

මම/අප/අපි ඉහත සමාගම පිළිබඳව

.....(පවතින සමාගමක්) සමාගම් 2007 අංක 7 දරණ සමාගම් පනත යටතේ  
සංස්ථාපන කරනු ලබනු ලබන සමාගමක බලපැවැත්වීම සඳහා සමාගමක් වශයෙන් ප්‍රකාශිතව පල කිරීමට ඉහත සඳහන් කර ඇති හට  
අදාළ බලය , එම සමාගම් ලේඛනයෙහි ඇතුළත් පල කිරීම මගින් සහතික කරමි.

දෙපාර්තමේන්තුවේ මාලු ප්‍රධානියා මානව සම්පත් පාලකයා වශයෙන් කටයුතු කරයි.

සමාගම් 2007 අංක 7 දරණ සමාගම් පනත යටතේ සමාගම් පනත යටතේ පවතින සමාගමක් වශයෙන් ප්‍රකාශිතව පල කිරීමට ඉහත සඳහන් කර ඇති හට  
අදාළ බලය , එම සමාගම් ලේඛනයෙහි ඇතුළත් පල කිරීම මගින් සහතික කරමි.

இரண்டாயிரத்து ..... ஆண்டு ..... மாதம் ..... திகதியன்று  
கொழும்பில் உள்ளே எக்சஸ்திட்டுக் கொடுக்கப்பட்டது.

I hereby certify that SRI LANKA TELSCOM PLC  
(an existing Company) is this day registered as a Public Limited Company as if it is incorporated  
under the Companies Act No. 7 of 2007 and that the above-mentioned new number has been assigned to it and entered in the Register of Companies.

Given under my hand at Colombo, this Seven day of June  
Two Thousand Seven.



.....  
සමාගම් පෙළපොතේ පාලක  
නව අංකයේ අංකය - ප්‍රධාන අංකය  
Registrar-General of Companies





ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජය  
இலங்கை சனநாயக சோசலிச சூடியரசு  
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

සමාජ සමාජ  
කොம்பනි සමා. } එස්(පීඑස්/සීඑස්)  
No. of Company } N(FBS/OGB) 172

1982 අංක 17 දරන සමාජ සමාජ  
1982 ஆம் ஆண்டின் 17 ஆம் இலக்க கොம்பனிச் சட்டம்  
The Companies Act No. 17 of 1982

සීමාසහිත සමාජ  
සමාජ සමාජ  
LIMITED COMPANY

සංස්ථාවක් ලෙස නීතිගත කළ බවට පදනම් සහතිකය  
இணைப்புச் சான்றிதழ்  
CERTIFICATE OF INCORPORATION

(15 (1) වැනි වගන්තිය අනුවයි)  
(15 (1) ஆம் பிரிவுக்கிணங்க)  
(Pursuant to Section 15(1))

සීමාසහිත ශ්‍රී ලංකා ටෙලිකොම් ලිමිටඩ් =

1982 අංක 17 දරන සමාජ සමාජ යටතේ අද දින සංස්ථාවක් ලෙස නීතිගත කළ බවත්, ඒ සමාජ සීමාසහිත සමාජ සමාජ බවත්, මගේ මෙහිත් සහතික කරමි.

1982 ஆம் ஆண்டின் 17 ஆம் இலக்க கොம்பனிச் சட்டத்தின் கீழ் இன்று இணைக்கப்பட்டிருக்கிறது என்றும், அக்கொம்பனி சமர்ப்பானது என்றும் இத்தகைய சான்றளிக்கப்பட்டிருக்கிறது.

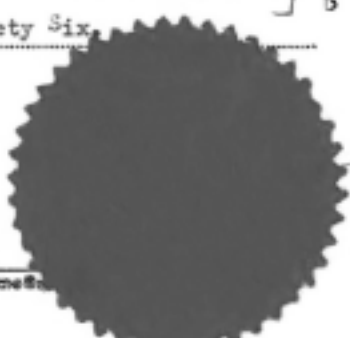
I Hereby Certify that SRI LANKA TELSCOM LIMITED..

is this day incorporated under the Companies Act No. 17 of 1982 and that the Company is Limited.

එරිස එස්එස් නමින් අද දින දැරීමට මගේ මෙහිත් සහතික කරමි.

අද දින දැරීමට මගේ මෙහිත් සහතික කරමි.

Given under my hand at Colombo, this Twenty fifth day of September One thousand nine hundred and Ninety Six.



සමාජ සමාජ  
කොம்பනි සමාජ  
Registrar of Companies.





අංකය } එස් (සීඑස්/සීඑස්) 172  
இல. No. } : (FBS/CGE)



විශාලතම කටයුතු සටන් ගැනීමට වෙළඳ සමාගමකට අයිතිවාසිකම් ඇති බවට 1982 අංක 17 දරන සමාගම් පනතේ 107 (3) වැනි වගන්තිය යටතේ දෙන සහතිකය

ඉහත කොමර්සියල් අප්‍රෝෂ් කොමිෂන් පනතේ 1982 අංක 17 දරන  
කොමර්සියල් අප්‍රෝෂ් කොමිෂන් පනතේ 107 (3) වැනි වගන්තිය යටතේ දෙන සහතිකය

CERTIFICATE UNDER SECTION 107 (3) OF THE COMPANIES ACT,  
No 17 OF 1982, THAT A COMPANY IS ENTITLED TO COMMENCE BUSINESS

1982 අංක 17 දරන සමාගම් පනතේ 107 වැනි වගන්තියේ යටතේදී ඉටු කරන ලදීන්. මු. ලංකා...  
සීමාවයි.

ස්වකීය විශාලතම කටයුතු සටන් ගැනීමට අයිතිවාසිකම් ඇති බව මම මෙයින් සහතික කරමි.

එවක එක් අතේ නවතිය දී මාගේ අත්සන මගින්...  
දී මාගේ අත්සන මගින්...

1982 අංක 17 දරන සමාගම් පනතේ 107 වැනි වගන්තිය යටතේදී ඉටු කරන ලදීන්. මු. ලංකා...  
සීමාවයි.

කොමර්සියල් අප්‍රෝෂ් කොමිෂන් පනතේ 1982 අංක 17 දරන  
කොමර්සියල් අප්‍රෝෂ් කොමිෂන් පනතේ 107 (3) වැනි වගන්තිය යටතේ දෙන සහතිකය

I HEREBY CERTIFY that... SRI LANKA TELECOM LIMITED == == ==  
== == == == ==  
== == == == ==

having complied with the conditions of Section 107 of the Companies Act, No. 17 of 1982, is entitled to commence business.

Given under my hand at Colombo, this Eighth day of OCTOBER

One Thousand Nine hundred and NINETY SIX.



Handwritten signature

කොමර්සියල් අප්‍රෝෂ් කොමිෂන් පනතේ  
Registrar of Companies.



# **ARTICLES OF ASSOCIATION**

## **OF**

### **SRI LANKA TELECOM PLC**

(As adopted by Special Resolution on 12<sup>th</sup> November 2002 and effective from 29<sup>th</sup> November 2002 and further amended as per the Special Resolutions passed on 28<sup>th</sup> March 2011, 12<sup>th</sup>.May.2016 and 20<sup>th</sup> June 2022)

#### **INTERPRETATION**

The Rules contained in Table “A” (Part I) of the First Schedule to the Companies Act No. 17 of 1982 shall not apply to the Company, which shall be governed by the regulations contained in these Presents but subject to repeal, alteration, or addition by Special Resolution.

1. In these Presents, if not inconsistent with the subject or context, the words standing in the first column of the table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof:

<b>WORDS</b>	<b>MEANINGS</b>
The Company	: SRI LANKA TELECOM PLC;
The Companies Act	: The Companies Act No. 7 of 2007 and any amendment thereto; <span style="float: right;"><b>Amended on 28.03.2011</b></span>
The Statutes	: The Companies Act No. 7 of 2007 and every other Act for the time being in force concerning companies and affecting the Company;
These Presents	: These Articles of Association as from time to time altered by Special Resolution;
Special Resolution	: Have the meanings assigned thereto respectively by the Companies Act;
The Directors	: The Directors for the time being of the Company Including (where the context so admits or requires) Alternate Directors;
Board	: The board of directors of the Company from time to time; <span style="float: right;"><b>Amended on 28.03.2011</b></span>

Office	:	The Registered Office of the Company;
Seal	:	The Common Seal of the Company;
Month	:	Calendar month;
Year	:	Calendar year;
In writing	:	Written or produced by any substitute for writing, or partly one and partly another and shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;
Dividend	:	Dividend and/or bonus;
Paid Up	:	Paid up or credited as paid up.
Public Offering	:	A public offering of shares whether primary or secondary made in connection with the obtaining or granting of listing of and permission to deal in the issued share capital of the Company on the Colombo Stock Exchange and, if appropriate, on one or more international stock exchanges.

Words importing the singular number only shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include corporations.

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

Where provisions in these articles dealing with or relating in any manner to 'quoted securities' are inconsistent with any rule or regulation of the Colombo Stock Exchange and/or the Central Depository Systems, such rules and regulations shall prevail over the provisions in these articles.

## 2. **The Objects of the Company**

- (A) To acquire and/or take over the functions of Sri Lanka Telecom in accordance with the terms of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No. 23 of 1987 and to develop, expand and extend further the business carried on by the said Sri Lanka Telecom.
- (B) To carry on the business of operators, proprietors, inventors, designers, developers, manufacturers, installers, managers, renters, hirers, assemblers, letters, factors, fitters, importers, exporters, agents and consultants of, and dealers in, systems, stations and exchanges for all types of communication howsoever produced, transmitted, received or processed including (without limiting the generality of the foregoing) telegraph, telephone, telex, teleprinter, radar, computers and all improvements developments and replacements thereof.

- (C) To carry on the business of receivers, transmitters, carriers, processors and distributors of speech, music, sounds, images, signals, data in all forms, printed or visual or pictorial or digital matter of all kinds encrypted or otherwise and messages of all kinds.
- (D) To carry on the business of managers, operators, conductors and performers of and advisers, agents, brokers and consultants in all businesses connected with communications and information howsoever produced, transmitted, received or processed and all services connected therewith.

#### **Ancillary Powers**

- (E) To seek, apply, obtain and in any other way acquire any licenses or approvals of any nature required for the purposes of, or deemed necessary or desirable to the carrying on or development of the business of the company, on any terms and conditions and for such purpose to enter into any agreement or undertaking.
- (F) To acquire any estate or interest in and to take options over, construct, develop or exploit any property, real or personal, and rights of any kind and the whole or any part of the undertaking, assets and liabilities of any person and to act as a holding company.
- (G) To provide services of all descriptions.
- (H) To lend money and grant or provide credit and financial accommodation to any person and to deposit money with any person.
- (I) To invest money of the company in any investments and to hold, sell or otherwise deal with investments or currencies or other financial assets.
- (J) To enter into any arrangements with any government authority or person and to obtain from any government authority or person any legislation, orders, rights, privileges, franchises and concessions.
- (K) To borrow and raise money and accept money on deposit and to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality) by mortgages or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by the creation and issue of securities.
- (L) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or changing all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by both such methods or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums interest dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality) any company which is for the time being a subsidiary or a holding company of the company or another subsidiary of a holding company of the company or otherwise associated with the company.
- (M) To amalgamate or enter into partnership or any profit-sharing arrangement with, or to cooperate or participate in any way with, or to take over or assume any obligation of, or to assist or subsidise any person.

- (N) To sell, exchange, mortgage, charge, let, grant licences, easements, options and other rights over, and in any other manner deal with, or dispose of, all or any part of the undertaking, property and assets (present and future) of the company for any consideration and in particular (without prejudice to the generality) for any securities or for a share of profit or royalty or other periodical or deferred payment.
- (O) To issue and allot securities of the company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the company or any services rendered to the company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose, and to give any remuneration or other compensation or reward by way of a commission or otherwise for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of the company or in or about the formation of the company or the conduct or course of its business.
- (P) To establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to act as director of and as secretary, manager, registrar or transfer agent for any other company and to act as trustee of any kind and to undertake and execute any trust and any trust business (including the business of acting as trustee under wills and settlements and as executor and administrator).
- (Q) To pay all the costs, charges and expenses preliminary or incidental to the promotion, formation, establishment and incorporation of the company, and to procure the registration or incorporation of the company in or under the laws of any place outside Sri Lanka.
- (R) To grant or procure the grant of donations, gratuities, pensions, annuities, allowances or other benefits, including benefits on death, or purchase and maintain any type of insurance for or for the benefit of any officers or employees or former officers or employees of the company or any company which at any time is or was a subsidiary or a holding company of the company or otherwise associated with the company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the company or whom the board of directors of the company considers have any moral claim on the company or to their relations, connections or dependants, and to establish or support any funds, trusts, insurances or schemes or any associations, institutions, clubs or schools, or to do any other thing likely to benefit any such persons or otherwise to advance the interests of such persons or the company or its members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of such persons or the company or its members or for any national, charitable, benevolent, educational, social, public, political, general or useful object.
- (S) To cease carrying on or to wind up any business or activity of the company, and to cancel any registration of and to wind up or procure the dissolution of the company in any state or territory.
- (T) To distribute any of the property of the company among its creditors and members or any class of members either in cash, specie or kind.



- (U) To amalgamate, divide, redivide, combine and to do all those things and to attend to all matters for the expansion and the reduction of the share capital of the company for the time being.
- (V) To establish and to facilitate the purchase and or the acquisition of shares of the company by the employees of the company for the time being and for such purpose to extend financial facilities, secured or otherwise.
- (W) To succeed to and enjoy and have the use of the assets of Sri Lanka Telecom and to assume the liabilities of Sri Lanka Telecom and to be a party and accordingly to have the rights and privileges of the contracts of Sri Lanka Telecom for the time being in force.
- (X) To do all or any of the above things or matters in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (Y) To carry on any other activity and do anything of any nature which in the opinion of the board of directors of the company is or may be capable of being conveniently carried on or done in connection with the above, or likely directly or indirectly to enhance the value or render more profitable all or any part of the company's undertaking property or assets or otherwise to advance the interests of the company or of its members.
- (Z) To do any other thing which in the opinion of the board of directors of the company is or may be incidental or conducive to the attainment of the above objects or any of them.
- (AA) In this clause "company", except where used in reference to this company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in Sri Lanka or elsewhere, "person" shall include any company as well as any other legal or natural person, "securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, "and" and "or" shall mean "and/or" where the context so permits, "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible.

#### **Other Objects:**

- (BB) To invent, design, develop, manufacture, construct, assemble, install, repair, maintain, buy, sell, let, hire, operate and deal in apparatus, equipment, installations, machinery, goods or things of any kind designed or capable of being used for or in connection with all types of communication howsoever produced transmitted received or processed.
- (CC) To carry on all or any of the trades or business of telecommunication, television, satellite, nautical, aeronautical, computer, micro-computer, electrical, electronic, micro-electronic, micro-processing, mechanical and chemical engineering and to acquire, supply and deal in all apparatus, equipment, goods and other things capable of being used in connection therewith.

(DD) To acquire, design, construct, develop, equip, execute, work, improve, maintain, manage, administer, carry out or control any stations, exchanges, cables (including submarine cables), satellites, ships and vessels of all kinds, wharves, piers, roads, works, factories, plants, laboratories, warehouses, depots, stores, offices, dwelling houses and other buildings, installations, and facilities of all kinds which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidise or otherwise assist or take part in the design, construction, development, equipping, execution, working, improvement, maintenance, management, administration, carrying out of control thereof, and to take any lease or enter into any working agreement in respect thereof.

(EE) To carry on business as a general commercial company and to carry on any trade or business whatsoever.

### CAPITAL

3. The Capital of the Company is Rupees One Hundred Billion (Rs. 100,000,000,000) divided into Ten Billion (Rs.10,000,000,000) Ordinary Shares of Rupees Ten (Rs.10) each **Deleted by Special Resolution passed on 28.03.2011**
4. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued (which special rights may be varied or abrogated only in the manner provided by the next following article), any share in the capital of the Company for the time being may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may, from time to time by Ordinary Resolution determine, and subject to the provisions of the Statutes the Company may issue preference shares which are, or at the option of the Company are to be liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine.

### VARIATION OF RIGHTS

5. Whenever the capital of the Company is divided into different classes of shares, the special rights and entitlements attached to any class subject to the provisions of the Statutes be varied or abrogated, either with the consent in writing of the holders of three – fourths of the issued shares of that class, or with the sanction of a special Resolution passed at a separate general meeting of such holders (but not otherwise), and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate general meeting all the provisions of these Presents relating to the general meetings of the Company, or to the proceedings thereat, shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one – third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those of such holders who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll, and that such holders shall on a poll have one vote for every share of the class held by them respectively.
6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.



## ALTERATION OF CAPITAL

7. The Company may from time to time, with the sanction of a Special Resolution of the Company in general meeting, increase its capital by the creation of new shares, such increase to be of such amount, and to be divided into shares of such respective amounts, and to be issued on such terms and conditions, and with or without right of preference, whether in respect of dividend or of repayment of capital, or both, or with such deferred rights to the original or other shares of the Company, as the Company may by the resolution sanctioning the increase determine.

7 (A) (1) The Company may agree to purchase or otherwise acquire its own shares with the approval of the Board. **Amended on 28.03.2011**

(2) Before the Company offers or agrees to purchase its own shares, the Board of the Company. should resolve that –

- i. the acquisition is in the interests of the Company.
- ii. the terms of the offer or agreement and the consideration to be paid for the shares is in the opinion of the Company's auditors a fair value; and
- iii. it is not aware of any information that has not been disclosed to shareholders which is material to an assessment of the value of the shares, and as a result of which the terms of an offer or consideration offered for the shares are unfair to shareholders accepting the offer.

(3) Before the Company –

- i. makes an offer to acquire shares other than in a manner which will if it is accepted in full, leave unaffected the relative voting and distribution rights of all shareholders; or
- ii. agrees to acquire shares other than in a manner which leaves unaffected the relative voting and distribution rights of all shareholders.

The Board shall resolve that the making of the offer or entry into the agreement, as the case may be, is fair to those shareholders to whom the offer is not made or with whom no agreement is entered into.

(4) The shares which may be so purchased shall be cancelled immediately upon purchase.

7 (B) The Company may issue shares which are redeemable,

**Amended on 28.03.2011**

- i at the option of the Company;
- ii. at the option of the holder of the share; or
- iii. on a date specified in the articles.

Redemption may be for a consideration that is specified by the Board at the time of issue of the redeemable shares or a consideration which is calculated on a formula that is also specified by the Board or to be fixed by an independent financial advisor having such qualifications as the Board may think fit.

8. All new shares shall be subject to the provisions of these Presents with reference to payment of calls, lien, transfer, transmission, forfeiture or otherwise.
9. The Company may by Special Resolution:-
  - (A) consolidate or subdivide all or any of its shares in issue in such proportions as it may seem fit, in a manner which would leave the relative voting and distribution rights of all shareholders substantially unaffected. **Amended on 28.03.2011**
  - (B) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled; **Amended on 28.03.2011**
  - (C) reduce its capital or any capital redemption reserve fund, or any share premium account, in any manner authorised by the Statutes. **Amended on 28.03.2011**

## **SHARES**

10. Nothing in these Presents contained shall preclude the Directors from recognising and acting on a renunciation of the allotment of any share by the allottee thereof in favour of any other person.
11. The shares shall be at the disposal of the Directors and they may issue, allot, grant options or otherwise deal with or dispose of them to such persons and generally on such terms and conditions (subject however to the provisions of article 4 hereof) as they think proper. **Amended on 28.03.2011**
12. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that, if the commission shall be paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with, and the commission shall not exceed ten per centum of the price at which shares are issued. Such commission may be satisfied in whole or in part by the allotment (if so agreed) of fully or partly paid shares. The Company may also on any issue of shares pay such brokerage as may be lawful.
13. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or (except only as otherwise provided by these Presents or by the Statutes) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.

## **CERTIFICATES**

14. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within seven (07) market days after allotment or lodgment of transfer (or such other period as may be stipulated by any stock exchange) one certificate for all his shares of any one class or upon payment of such sum, not exceeding Rupees five (Rs. 5/=) for every certificate after the first as the Directors shall from time to time determine, several certificates, each for one or more of his shares of any one class. Where a member transfers a part only of the shares comprised in a certificate, the old certificate shall be cancelled and a new certificate for the balance of such shares shall be issued in lieu without charge. Every certificate shall be issued under the Seal and bear the signatures of at least one Director and the Secretary or such other person as may be authorised by the Directors and shall specify the shares to which it relates and the amount paid up thereon.-

Provided that the Company shall not be bound to register more than three persons as the joint-holders of any shares (except in the case of the executors and trustees of a deceased member) and in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefore, and delivery of a certificate to one of such persons or his duly authorised representative shall be sufficient delivery to all.

15. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of such fee (if any), not exceeding Rupees five (Rs. 5/=) and on such terms (if any) as to evidence and any indemnity and the payment of out – of – pocket expenses of the Company in investigating evidence as the Directors think fit.

## **PROHIBITION ON SUBSCRIPTION/PURCHASE OF OWN SHARES**

16. The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person or for any shares in the Company or in its holding company nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this article shall prohibit transactions authorised by the Statutes.

## **CALLS ON SHARES**

17. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of issue thereof made payable at fixed times, provided that no call on any share shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen days notice specifying the time or times and place or places of payment) pay to the Company at the time or times and place or places so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
18. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by installments.

19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
20. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per centum (10%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
21. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment, or at any fixed date, shall for the purposes of these Presents be deemed to be a call duly made and payable on the date on which by the terms of the issue the same becomes payable, and in case of non-payment all the relevant provisions of these Presents as to payment of interest and expenses, for forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
22. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid, and the terms of payment.
23. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of calls then made upon the shares concerned, the Company may pay interest at such rate (not exceeding six (6%) percent per annum) and the member paying such sum and the Directors agree upon.

### **FORFEITURE OF SHARES**

24. If a member fails to pay in full any call or installment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest and expenses which may have accrued.
25. The notice shall name a further day (not being less than twenty-eight days from the date of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares in respect of which the call was made will be liable to be forfeited.
26. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

27. A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before such forfeiture the holder thereof entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited share to any such person as aforesaid.
28. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares with interest thereon at a rate fixed by the Directors but not exceeding ten per centum (10%) per annum from the date of forfeiture until payment, but the Directors may waive payment of such interest either wholly or in part.
29. A statutory declaration in writing that the declarant is a Director or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share in any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
30. The provisions of these Presents as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **LIENS**

31. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not), called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the Directors may resolve at any time any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
32. The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, or until the expiration of fourteen days from the date of a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death, bankruptcy or insolvency.



33. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
34. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

### **TRANSFER OF SHARE**

35. Notwithstanding any provision in these Presents suggesting the contrary, shares quoted on any stock exchange shall be freely transferable and registration of the transfer of such quoted shares shall not be subject to any restriction, save and except to the extent required for the compliance with statutory requirements.
36. Notwithstanding anything to the contrary in these Presents, as long as the shares of the Company are quoted on any stock exchange, the Board may register without assuming any liability therefore any transfer of shares which is in accordance with the rules and regulations in force for the time being and fromtime to time of such stock exchange and any clearing system or any agency acting as central depository for the shares of the Company.
37. The instrument of transfer of a share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
38. The Directors may only decline to register any transfer of title of shares to any person if such transfer is not in conformity with these Presents. If the Directors for such cause refuse to register a transfer they shall within three (03) market days of receipt of the documents (or such other period as may be stipulated by any stock exchange) notify the Central Depository Systems (CDS) or such other person entitled with reasons for such refusal.
39. The Board of Directors may decline to recognise any instrument of transfer unless: -
  - (i) the instrument of transfer is deposited at the office or such other place as the Directors may appoint accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so); and
  - (ii) the instrument of transfer is in respect of only one class of shares.

All instruments of transfer, which have been registered, shall be retained by the Company for a minimum of three years.

## **REGISTRATION OF TRANSFERS**

40. The Directors may by such means as they shall think expedient authorise the registration of transfers or transmission of shares without the necessity of any meeting of Directors for that purpose.
41. Upon such notice as may be required by the Statutes, the registration of transfers may be suspended and the register of members closed at such times and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended or the register of members closed for more than thirty days in any year.
42. The Company shall be entitled to charge a fee not exceeding five rupees as the Directors may from time to time require or prescribe, on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney or other document relating to or affecting the title to any shares or for making any entry in the register of members affecting the title to any shares.

## **TRANSMISSION OF SHARES**

43. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal representative of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
44. There shall be no restriction by way of limitation of number in regard to the persons to be registered as joint holders of a share where such persons are executors or trustees of a deceased holder.
45. Any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death, bankruptcy, or insolvency, as the case may be.
46. Where the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Where he elects to have another person registered he shall testify his election by executing to that person a transfer of the shares. All the limitations, restrictions and provisions of these rules relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death, bankruptcy or insolvency of the member had not occurred and the notice or transfer were a transfer signed by the member.
47. A person becoming entitled to a share by reason of the death, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that

he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and where the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

### **GENERAL MEETINGS**

48. The Board of the Company shall call an annual general meeting of the shareholders to be held once in each calendar year – **Amended on 28.03.2011**
- i. not later than six months after the balance sheet date of the Company; and
  - ii. not later than fifteen months after the previous annual general meeting.
49. The Directors may whenever they think fit, convene an extraordinary general meeting

### **NOTICE OF GENERAL MEETINGS**

50. An annual general meeting and a meeting called for the passing of a special resolution (save as provided by the Statutes) shall be called by at least fifteen working days notice in writing, and any other general meeting of the Company shall be called by at least ten working days notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are, under the articles of the Company, entitled to receive such notices from the Company: **Amended on 28.03.11**

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

- (A) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
  - (B) in the case of any other meeting by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety- five per centum in nominal value of the shares giving that right.
51. 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.



52. (a) Every notice calling a general meeting shall specify the place, and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that every member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member of the Company.
- (b) In the case of an annual general meeting, the notice shall also specify the meeting as such.
- (c) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as a the notice shall contain a statement to that effect.
53. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:
- (i) declaring dividends;
- (ii) considering the balance sheet, the report of the Directors and of the Auditors, and other accounts and documents required to be annexed to the balance sheet;
- (iii) appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed;
- (iv) electing Directors in the place of those retiring or otherwise.
54. The Directors shall on the requisition of the holders of not less than one tenth (1/10) of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary general meeting of the Company in accordance with the requirements of the Statutes.

### **PROCEEDINGS AT GENERAL MEETINGS**

55. Unless otherwise required by the Statutes and these Presents, all matters arising at any general meeting shall be decided by resolution passed by a simple majority of the votes cast at such meeting by the holders of shares present in person or proxy.

Provided that the following matters shall require a Special Resolution:

- (A) Any change to the Company's articles of association (other than in connection with and immediately prior to a public offering);
- (B) Any resolution to wind up or dissolve the Company;
- (C) Any amalgamation, consolidation, reconstruction, change to, or reorganization of, the share capital of the Company;
- (D) Any redemption or repurchase of shares;
56. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Three (03) members present in person or by proxy or attorney or in the case of a corporation by a representative duly authorised as provided by these Presents shall be a quorum for all purposes provided they represent not less than 50% of the issued share capital of the Company for the time being.

57. If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and such other time and place as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the members present (if more than one) shall be a quorum.
58. The Chairman of the Board shall preside as Chairman at every general meeting of the Company, or where the existing Chairman is not present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their numbers to be Chairman of the meeting. If no Directors are present or if all the Directors present decline to take the chair, the members present shall elect one of their numbers present to be Chairman of the meeting.
59. The Chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
60. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands and on such show of hands each member shall be entitled to one vote each unless a poll is (before or on the declaration of the result of the show of hands) demanded by -
- (A) the Chairman of the meeting; or
  - (B) not less than three members present in person or by proxy or attorney or representative and entitled to vote; or
  - (C) a member or members present in person or by proxy or attorney or representative and representing not less than one tenth (1/10) of the total voting rights of all the members having the right to vote at the meeting; or
  - (D) any member or members present in person or proxy or attorney or representative and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right.
  - (E) A demand for a poll may be withdrawn. Unless a poll be demanded (and the demand be not withdrawn) a declaration by the Chairman of the meeting that a resolution has been carried on a show of hands, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

61. If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may (and if so requested shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of taking and declaring the result of the poll.
62. In the case of an equality of votes, whether on a show of hands or on a poll, the meeting shall be adjourned for 7 days, and if at the adjourned meeting the division of votes remain equal, the Chairman of the meeting at which the show of hands takes place or at which the poll is taken shall be entitled to a second or casting vote. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Save as aforesaid in article 59, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
63. A poll demanded on the election of a Chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty (30) days from the date of the meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.
64. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

#### **VOTES OF MEMBERS**

65. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member who being an individual is present in person or by proxy or attorney who is not a member or being a corporation is present by a representative or proxy or attorney who is not a member shall have one vote. Subject as aforesaid, upon a poll every member who is present in person or by proxy or by attorney or by representative shall be entitled to one vote for each share held by him.
66. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, *curator bonis* or other person in the nature of a committee or *curator bonis* appointed by such court, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which such person claims to vote, or in the case of a poll not less than forty-eight (48) hours before the time appointed for the taking of the poll.
67. No member shall be entitled to vote at a general meeting either personally or by proxy or by attorney or by representative or to exercise any privilege as a member unless all calls for other sums presently payable by that person in respect of shares held by that person in the Company have been paid.
68. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the voter objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

69. On a poll votes may be given either personally or by proxy or by attorney or by representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
70. The instrument appointing a proxy shall be in writing and (i) in the case of an individual shall be signed by the appointer or by his attorney; and (ii) in the case of a corporation shall be either under its common seal or by its attorney or by an officer on behalf of the corporation. The Company may, but shall not be bound to require evidence of the authority of any such attorney or officer.

A proxy need not be a member of the Company.

71. The instrument appointing a proxy shall be lodged, and the power of attorney, if any, under which it is signed or a notarially certified copy thereof shall if required be deposited for inspection at the registered office of the Company or at such other place within Sri Lanka as is specified for that purpose in the notice convening the meeting not less than forty-eight hours before the time for holding the meeting or adjourned meeting, or in the case of a poll before the time appointed for the taking of the poll at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
72. An instrument appointing a proxy shall be in the following form or in a form as near thereto as circumstances permit-

**Sri Lanka Telecom PLC**

I/We,..... of..... being a member/members of the above-named Company, hereby appoint..... of ..... or failing him..... of ....., as my/our proxy to vote for me/us on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the Company to be held on the ..... day of ....., 20..... and at any adjournment thereof.  
Signed this..... day of.....20.....”

73. Where it is desired to afford members an opportunity of voting for or against a resolution and/or to speak at the meeting the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances permit –

**Sri Lanka Telecom PLC**

I/We,..... of..... being a member/members of the above-named Company, hereby appoint..... of ..... or failing him..... of ....., as my/our proxy to vote for me/us on my/our behalf \*for/or \*against the resolution and/or \* to speak at the (annual or extraordinary, as the case may be) general meeting of the Company, to be held on the ..... day of ....., 20..... and at any adjournment thereof.  
Signed this..... day of.....20.....”

(Note - \*Strike out whichever is not desired. Unless otherwise instructed, the proxy will vote as he thinks fit.)

74. An instrument appointing a proxy whether in the usual common form or not, shall, unless the contrary is stated therein be valid as well for any adjournment of the meetings as for the meeting to which it relates and need not be witnessed.
75. The proxy shall be deemed to include the right to demand or join in demanding a poll.

76. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting (or in the case of a poll, before the time appointed for the taking of the poll) at which the proxy is used.

### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

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

### **DIRECTORS**

78. The Directors on the date of adoption of these Presents are Thilanga Sumathipala, Shuhei Anan, Kalutanthrige Ananda Peiris Goonetilleke, Hubert Norman Gunewardene, Kazuhiro Yaginuma, Wellege Ruwan Harsha Fernando, Ajit Ravindra Ekanayake, Namasivayam Pathmanathan, Setsuya Kimura and Kiyoshi Maeda.
79. The Directors shall not be less than three nor more than ten in number.
80. Any Director shall be selected by resolution passed by a simple majority of the votes cast at a general meeting by the holders of shares present in person or proxy.
81. The remuneration of the Directors (excluding any remuneration payable under any other provisions of these Presents) shall be such sum as the Directors shall determine, and such remuneration shall be divided among the Directors in such manner as they shall from time to time determine and shall accrue *de die in diem*. The Company may also by Ordinary Resolution vote extra remuneration to the Directors or to any Director and either for one year or any longer or shorter period.
82. The Company may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Board of Directors or of committees of the Directors or general meetings, or which he may otherwise incur in or about the business of the Company, or may pay to any Director such allowances as the Directors think proper in respect of such expenses.
83. Any Director who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may in addition to the reimbursement of expenses reasonably incurred by him be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Directors may determine.
84. A Director may hold any other office or place of profit within or in relation to the Company (other than the office of Auditor) and he or any firm of which he is a



member or any corporation of which he is a member or Director may act in any capacity for the Company (other than as Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise as the Board may determine). No Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard thereto or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

85. A Director may be or become a Director or other officer of, or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and every such Director shall account to the Company for any remuneration or other benefit received by him as a Director or officer of, or from his interest in, such other company. The Directors may utilize the voting power on any shares or securities in such company as aforesaid for the purpose of fixing the remuneration of the Directors for such company or any of them.

### **EXECUTIVE DIRECTORS**

86. (i) The Directors may from time to time appoint one or more of their body to be a holder of any executive office, including the office of Chairman or Chief Executive Officer or Manager or any other executive office on such terms and for such period as they may determine. A Director appointed to the office of Chief Executive Officer shall not whilst holding that office require any qualification or be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors.
- (ii) appointment of any Director to the office of Chairman, or Chief Executive Officer or any other executive office shall be subject to termination (unless the Board shall otherwise decide) if he ceases from any cause to be a Director, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.
87. Subject to article 88, the Directors may entrust to and confer upon an Executive Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.
88. The following matters hereto are expressly delegated by the Board of Directors to, and agreed to fall within the authority of the Chief Executive Officer and all such matters may be conducted by the Chief Executive Officer without further approval of the Board of Directors:-
- (A) The supervision, direction and control of the day to day management and operation of the Company in accordance with the current Annual Business plan.
- (B) The acceptance of any obligation or liability on behalf of the Company as provided for in any agreed Annual Business plan.
- (C) Development of the Company.

- (D) Preparation of and, subject to approval of such Annual Business plan by the Board of Directors, the implementation of an Annual Business plan.
  - (E) Appointment, removal and responsibility for discipline and supervisory control of all personnel of the Company.
  - (F) Conducting relations with all governmental authority.
  - (G) Conducting industrial and trade union relations.
  - (H) The controlling of all day to day financial matters of the Company.
  - (I) Where such expenditure has not been included in the relevant Annual Business plan, procuring machinery and equipment and maintaining the same, the aggregate cost of which shall not exceed US\$500,000.
  - (J) Notwithstanding anything to the contrary in these Presents, authorising all procurements (without limit as to cost) including, but not limited to, machinery and equipment and maintenance of the same provided details of such procurements have been disclosed in the relevant approved Annual Business plan.
89. An Executive Director shall receive such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in another) as the Directors may determine.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

90. The office of a Director shall be vacated upon the happening of one of the following events, namely -
- (A) If he becomes prohibited by law or by virtue of these Presents from acting as a Director;
  - (B) If he resigns by writing under his hand left at the office of the Company;
  - (C) If a receiving order is made against him or if he compounds with his creditors or is adjudicated an insolvent;
  - (D) If he be found lunatic or becomes of unsound mind;
  - (E) If he be absent from meetings of the Board of the Directors for six months without leave, and the Directors resolves that his office be vacated;
  - (F) If he be requested in writing by all his co-Directors to resign.
91. At each annual general meeting one third of the Directors for the time being, or if their number is not a multiple of three the number nearest to (but not greater than) one third (1/3) shall retire from office: Provided that a Director appointed to the office of Chairman or Chief Executive Officer shall not, while holding that office be subject to retirement by rotation or be taken into account in determining the Director to retire in each year. A Director retiring at a meeting shall retain office until the close of the meeting including any adjournment thereof.

92. The Directors to retire at each annual general meeting shall be the Directors who, being subject to retirement by rotation, have been longest in office since their last election or appointment, but as between persons who became or were last re-elected Directors on the same day the Director to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
93. The Company at the meeting at which a Director retires in manner aforesaid shall fill the vacated office by electing a person thereto, and in default the retiring Director shall be deemed to have been re-elected, unless: -
  - (i) at such meeting it is expressly resolved not to fill such vacated office, or a resolution for the re-election of such Director is put to the meeting and lost; or
  - (ii) such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
  - (iii) the default is due to the contravention of the next following articles.
94. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting, unless not less than fourteen (14) nor more than twenty-eight (28) days before the day appointed for the meeting there shall have been left at the Office notice in writing addressed to the Company and signed by some other person being a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected.
95. The Company may, by Ordinary Resolution of which special notice has been given remove any Director (whether executive or non-executive) before the expiration of his period of office, notwithstanding any provision of these Presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement.
96. The Company may by Ordinary Resolution of which special notice has been given appoint another person in place of a Director removed from office under the last preceding article, and any person so appointed hereunder shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.
97. The Directors shall have the 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 these Presents. Any Director so appointed shall hold office only 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.

#### **PROCEEDINGS OF DIRECTORS**

98. (i) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.



- (ii) Questions arising at any board meeting shall be determined by a majority of votes. In the case of an equality of votes, the board meeting shall be adjourned for 24 hours, and if at the adjourned meeting the division of votes remains equal, the Chairman shall have a second or casting vote.
  - (iii) A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of a meeting of the Directors shall be given to all the Directors and such notice shall be accompanied by an agenda of the meeting (unless such agenda be incorporated in the Notice itself) and all documents and copies thereof as may be relevant to the meeting.
99. The quorum necessary for the transaction of the business of the Directors shall constitute one half of the maximum number of Directors permitted by these Presents. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
100. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Statutes.
- 101 (a) Save as otherwise provided by the next succeeding article, a Director shall not vote in respect of any contract or arrangement in which he is interested (and if he shall do so his vote shall not be counted) nor shall he be counted for the purpose of any resolution regarding the same in the quorum present at the meeting, but this article shall not apply to:
- (i) Any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or
  - (ii) Any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
  - (iii) Any contract by him to subscribe for or underwrite shares or debentures of the Company; or
  - (iv) Any contract or arrangement with any other company or firm in which he is interested only as a director or partner or other officer or creditor of or as a shareholder in or beneficially interested in the shares of that company.
- (b) The provisions of this article may at any time be suspended or relaxed to any transaction, and any particular contract, arrangement or transaction, carried out in contravention of this article may be ratified by Ordinary Resolution of the Company.
102. A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in

the appointment of a Director to hold any office or place of profit under any other company or whereat the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to these Presents, or whereat the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing or the terms thereof.

103. Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorize a Director or his firm to act as auditor of the Company.
104. The continuing Directors may act notwithstanding any vacancies but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Presents, the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning general meeting of the Company but not for any other purpose. If there be no Directors or Director able or willing to act then any two members may summon a general meeting for the purpose of appointing Directors.
105. The Directors may appoint and remove the Chairman of the Board at their respective meetings and may determine the period for which he is to hold office. The Chairman so appointed shall preside as Chairman at meetings of the Directors. If no Chairman shall have been appointed, or if at any meeting the Chairman be not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their numbers to be Chairman of the meeting.
106. If all the Directors have signed a document, which for these purposes may be a facsimile transmission, containing a statement that they are in favour of a resolution of the Directors in terms set out in that document, a resolution in those terms shall be deemed to have been passed at a meeting of Directors held at the date and at the time at which the document was last signed by a Director. For the purpose of this article two or more separate documents containing statements in identical terms, each of which is signed by one or more Directors shall together be deemed to constitute one document containing a statement on those terms signed by the Directors on the respective days on which they signed the separate documents.
107. The Directors may meet by telephone conference call or other means of simultaneous conference telecommunication at a time appointed by notice in writing setting out a detailed agenda of the business to be transacted at the meeting accompanied by all documents relevant to that business. A resolution passed by such a meeting shall be deemed to have been passed at a meeting of Directors held on the day on which and at the time at which the meeting was held and at the place where the Chairman was located during the course of the meeting.
108. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.
109. The Board of Directors shall appoint an Audit Committee in terms of the Listing Rules of the Colombo Stock Exchange to oversee the internal audit policy of the Company. The chief internal Auditor shall be present at all Audit Committee meetings by invitation. The decisions of the Audit Committee shall be recommended to the Directors for their approval or amendment, as the case may be.

Amended on  
12.05.2016

110. The Board of Directors shall appoint a Remuneration Committee in terms of the Listing Rules of the Colombo Stock Exchange to oversee the remuneration policy of the Company for non-executive Directors as well as remuneration policy and incentive schemes for the Company's senior management. The decisions of the Remuneration Committee shall be recommended to the Directors for their approval or amendment, as the case may be.
111. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Presents regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under article 108.
112. All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

### ALTERNATE DIRECTORS

113. (i) Any Director may at any time by notice in writing left at the Office, appoint any person approved by the Directors to be an Alternate Director of the Company to act in his place during his absence abroad and the following provisions of this article shall apply to any person so appointed.
- (ii) A person appointed to be an Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company nor be required to hold any share qualification but the Directors may repay an 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.
- (iii) An Alternate Director shall (on his giving an address for such notices to be served upon him) be entitled to receive notices of all meetings of the Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and generally to perform all the functions of his appointor as a Director in the absence of such appointor.
- (iv) In the event of the Alternate Director appointed being a Director in his own right he shall in addition to the votes he may have in his own right be entitled to have such number of additional votes in accordance with the number of Directors whom he represents as an Alternate Director.
- (v) An Alternate Director may be appointed for a specific 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:
- (a) upon the return to Sri Lanka of his appointor;
- (b) if his appointor ceases for any reason to be a Director; provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him

pursuant to this article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;

- (c) if the Alternate Director shall have a receiving order made against him or compounds with his creditors or is adjudicated an insolvent;
  - (d) if the Alternate Director be found lunatic or becomes of unsound mind;
  - (e) if the appointment of the Alternate Director is revoked by his appointor by a notice in writing left at the Office;
  - (f) if the Directors resolve that the appointment of the Alternate Director be terminated; provided that such termination shall not take effect until the expiration of thirty (30) days after the date of the resolution of the Directors.
- (vi) A Director shall not vote on the question of the approval of an Alternate Director to act for him or on the question of the termination of the appointment of such an Alternate Director under sub-paragraph (f) of the last foregoing sub-clause of this article and if he does so his vote shall not be counted; nor for the purpose of any resolution for either of these purposes shall he be counted in the quorum present at the meeting.

#### **BORROWING POWERS**

114. The Directors may exercise all the powers of the Company to borrow money and may mortgage or charge its undertaking property and uncalled capital, or any part thereof and issue debentures, debenture - stock, convertible loan stock, and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, provided that the aggregate amount at any one time outstanding of moneys borrowed by the Company exclusive of any temporary borrowing secured or unsecured from bankers or others in the ordinary course of business to meet temporary requirements, shall not without the previous sanction of an Ordinary Resolution of the Company exceed three times the total of:

Amended on  
20.06.2022

- (i) the nominal amount of the issued and paid-up share capital of the Company for the time being; and
- (ii) The amount for the time being standing to the credit of its Retained Earnings Account in the books of the Company;

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

115. (i) Any bonds, debentures, debenture-stock, convertible loan stock or other securities issued or to be issued by the Company shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

- (ii) Bonds, debentures, debenture-stock, convertible-loan stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- (iii) Any bonds, debentures, debenture-stock, convertible loan stock or other securities may be issued at a discount, premium or otherwise and with any special privileges as to the redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
- (iv) All certificates for debentures, debenture-stock, loan stock or other securities issued in terms of these Presents shall be issued under the Seal of the Company in accordance with the provisions of these Presents.

### **POWERS AND DUTIES OF DIRECTORS**

- 116 (1) Subject to Article 116(4) which relates to major transactions, **Amended on  
28.03.2011**
- i. the business and affairs of the Company shall be managed by or under the direction or supervision of the Board of the Company,
  - ii. 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) i. The Company shall not enter into any major transaction, unless such transaction is –
- (a) approved by special resolution;
  - (b) contingent on approval by special resolution;
  - (c) consented to in writing by all shareholders of the Company; or
  - (d) a transaction which the Company is expressly authorized to enter into by a provision in its articles, which was included in it at the time the Company was incorporated.
- ii. In this section the reference to –
- “assets” includes property of any kind, whether corporeal or incorporeal,
- “major transaction” means –
- (a) the acquisition of or an agreement to acquire whether contingent or not, assets of a value which is greater than half the value of the assets of the company before the acquisition;
  - (b) the disposition of or an agreement to dispose of, whether contingent or not, the whole or more than half by value of the assets of the Company;
  - (c) a transaction which has or is likely to have the effect of the Company acquiring rights or interests or incurring obligations or liabilities of a value which is greater than half the value of the assets of the Company before the acquisition; or



- (d) a transaction or series of related transactions which have the purpose or effect of substantially altering the nature of the business carried on by the Company.
- iii. Nothing in this section shall apply to –
    - (a) a transaction under which the Company gives or agrees to give a floating charge over all or any part of the property of the Company;
    - (b) a transaction entered into by a receiver appointed pursuant to an instrument creating a floating charge over all or any part of the property of the Company;
    - (c) a transaction entered into by an administrator or liquidator of the Company.
- (3) i. The Board may delegate to a committee of Directors, a Director or employee of the Company or any other person, any one or more of its powers other than its powers under any of the sections in the Companies Act specified in the Sixth Schedule.
  - ii. The Board, when it delegates a power under subsection (i), shall be responsible for the exercise of the power by the delegate as if the power had been exercised by the Board, where –
    - (a) the Board has reason to believe before the exercise of the power, that the delegate would not exercise the power in conformity with the duties imposed on Directors of the Company by the Companies Act and the Articles; or
    - (b) the Board has failed to monitor by means of reasonable methods properly used, the exercise of the power by the delegate.
- (4) i. Each Director shall act in good faith and in what he believes to be in the interests of the Company.
  - ii. Each Director shall not act or agree to the Company acting, in a manner that contravenes any provisions of the Companies Act or the Articles.
  - iii. Each Director –
    - (a) shall not act in a manner which is reckless or grossly negligent; and
    - (b) shall exercise the degree of skill and care that may reasonably be expected of a person of his knowledge and experience.
- (5) A Director of the Company who has information in his capacity as a Director or employee of the Company which would not otherwise be available to him, shall not disclose that information to any person or make use of or act on the information except –
    - i. for the purpose of the Company;
    - ii. as required by law;
    - iii. if authorized to do so by the Board, and particulars of the authorization are entered in the interests register.

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117. The Directors may exercise all such powers of the Company as are not by the Statutes or by these Presents required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Presents, to the provisions of the Statutes, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Ordinary Resolution of the Company but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made: provided however that the Directors shall not without the authority of a Special Resolution of the Company:-
- (i) carry into effect or implement any terms arranged for the amalgamation of the Company with any other Company; or
  - (ii) sell or dispose of the business or undertaking of the Company (but a Special Resolution shall not be required for the exercise by the Directors of its powers under article 119)
- The general powers given by this article shall not be limited or restricted by any special authority or power given to the Directors by any other article.
118. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys, paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
119. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on and they may appoint, remove, and re-appoint any persons (whether members of their own body or not) to act as directors, executive directors, or managers or other officers of any such company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed.
120. The Directors may from time to time and at any time by power of attorney under the Seal appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
121. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.
122. The Company or the Directors on behalf of the Company, may in exercise of the powers in that behalf conferred by the Statutes, caused to be kept a branch register or registers of members and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they may think fit respecting the keeping of any such register.

## **MINUTES**

123. The Directors shall cause minutes to be made in books provided for the purposes:
- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
  - (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors;
- and every Director present at any meeting of Directors or committee of Directors shall sign his name in a book to be kept for that purpose.

## **SECRETARY**

124. (i) The Directors may from time to time appoint and employ, and at their discretion remove, any individual, firm, or company as the Secretary of the Company (in these Presents called “the secretary” or “the Secretaries”) whose duties it shall be to keep all records and registers required by the Statutes to be kept by the Company, to record, and maintain the minutes required by the preceding article or otherwise as required by these Presents, to perform any other functions which by these Presents are to be performed by the Secretary, and generally to execute all other duties which may from time to time be assigned by the Directors to the Secretary. The Directors may also (where they appoint an individual as the Secretary) appoint and employ any other person as assistant Secretary.
- (ii) The Directors may at any time appoint and employ a temporary substitute for the Secretary or assistant secretary who shall for the purpose of these presents be deemed, in the former case, to be the Secretary.
- (iii) A provision of the Companies Act or these Presents requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

## **THE SEAL**

125. (i) The Directors shall provide for the safe custody of the Seal and the Seal shall only be used by the authority of the Directors in that behalf. Subject to the provisions of the next succeeding sub-paragraph, the Seal of the Company shall not be affixed to any deed, certificate for shares, stock, debenture-stock, 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. Such attestation on the part of the Secretary in the event of a firm being the Secretaries, shall be signified by a partner or duly authorised agent of the said firm signing the firm name or for and on behalf of the said firm as such Secretaries. In the event of a company being the Secretary, such attestation shall be signified by a Director or the Secretary or the duly authorised agents of such company signing for and on behalf of such company as Secretaries. The sealing shall not be attested by one person in the dual capacity of Director and Secretary or representative of the Secretaries.



- (ii) Where the Board shall so resolve in the case of certificates for shares of the Company (which shall not however be deemed to include letters of allotment issued under the signature of the Secretary on behalf of the Company) or in the case of certificates for debenture, debenture-stock, loan stock or other forms of security (other securities created by deed for which provision is made in the preceding sub-paragraph of this article), the signature of one of the Directors or, as the case may be, the Director who under the preceding sub-paragraph of this article attest or attests the sealing thereof may, with the approval and subject to the control of the auditors or the bankers of the Company, be in the form of an autographic signature stamped or printed or impressed by manual or mechanical means thereon.
- (iii) Any document sealed in accordance with the foregoing provisions of this article shall be presumed to have been executed by the Company.

### **DIVIDENDS AND RESERVES**

- 126. The Company may by Ordinary Resolution declare dividends, but no dividends shall be payable in excess of the amount recommended by the Directors or otherwise than out of profits.
- 127. The Directors may from time to time pay to the members' interim dividends where the payment of such dividends has been approved by the Board of Directors.
- 128. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits, which they may think prudent not to divide.
- 129. Subject to the rights of person, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid; but where any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 130. The Directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 131. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 132. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member or which any person under those provisions is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

133. The Company in general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways, the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.
134. Any dividend, interest or other moneys payable in cash or in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or person entitled thereto, or as otherwise directed in writing by such member or person, or, if several persons are registered as joint holders, of the share, or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or such person and such address as such person may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct, and payment of the cheque or warrant if purporting to be endorsed or signed by way of receipt shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
135. If several persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipt for any dividends, bonuses or other moneys payable on or in respect of the share.
136. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
137. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share in to a separate account shall not constitute the six years from the declaration of such dividend may be forfeited and if so forfeited shall then revert to the Company. All unclaimed dividends may be invested or otherwise made use of by Directors for the benefit of the Company until claimed.

### **REGISTERS**

138. The Directors shall duly comply with the provisions of the Statutes and in particular the provisions in regard to registration of charges created by or affecting property of the Company, in regard to keeping a Register of Directors, a Register of Members, a Register of Mortgages and Charges and a Register of Directors' Share and Debenture Holdings and in regard to the production and furnishing of copies of such registers and of any register of holders of debentures of the Company.

### **ACCOUNTS**

139. The Company shall keep accounting records which correctly record and explain the Company's transactions, and will –
- i. at any time enable the financial position of the Company to be determined with reasonable accuracy;

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- ii. enable the Directors to prepare financial statements in accordance with the Companies Act; and
- iii. enable the financial statements of the Company to be readily and properly audited.

The accounting records must comply with Subsection (2) of Section 148 of the Companies Act.

- 140. The books of accounts shall be kept at the Registered Office of the Company, or, subject to the provisions of subsection (3) of section 143 of the Companies Act, at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
- 141. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or as authorised by the Directors or by Ordinary Resolution of the Company in general meeting and no member not being a director, shall be entitled to require or receive any information concerning the business, trading or customers of the Company.
- 142. The Directors shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before a general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.
- 143. A printed copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be annexed thereto), together with a printed copy of every report of the Auditors relating thereto and a printed copy of the Directors' report shall not less than twenty-one days before the date of the meeting be sent to every member of and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Statutes or of these Presents (provided that this article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of joint-holders, but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office).

### **CAPITALISATION OF PROFITS**

- 144. The Company in general meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures or securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution:

Provided that, a share premium account and a capital redemption reserve fund may, for the purposes of this article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully or partly paid bonus shares.

145. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully-paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit where shares, debentures or securities become distributable in fractions, including the power to sell all or any of such fractions. The Directors shall also have the power to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares or for appointing any person to sign transfers of shares to avoid fractional certificates. Any agreement made under such authority shall be effective and binding on all such members.

#### AUDIT

146. Auditors shall be appointed and their duties regulated in accordance with the provisions of sections 154 to 164 of the Companies Act **Amended on 28.03.2011**
147. At each annual general meeting the retiring Auditor shall, without any resolution being passed, be deemed to have been reappointed until the conclusion of the next ensuing annual general meeting, unless –
- (i) he is not qualified for re-appointment;
  - (ii) a resolution has been passed at the meeting in accordance with the Statutes appointing some other person or firm instead of him or providing expressly that he shall not be so appointed; or
  - (iii) he has given to the Company notice in writing of his unwillingness to be appointed.

In any such case the Company shall at such meeting appoint some other person in lieu.

148. The Board shall have power to fill a casual vacancy in the office of Auditor by appointing some person or firm to hold such office until the conclusion of the next annual general meeting, but while any such casual vacancy continues the surviving or continuing Auditor (if any) may act.
149. Subject to the provisions of the Statutes, all acts done by any person acting as Auditor shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment

## NOTICES

150. Any notice or document (including a share certificate) may be served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address, or (if he has no registered address within Sri Lanka) to the address, if any, within Sri Lanka supplied by him to the Company as his address for the service of notices. Where a notice or other document is served by post, service shall be deemed to be effected at the expiration of 24 hours after the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
151. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Presents shall be sufficiently given if given by advertisement. Any notice required to be or which may be given by advertisement shall unless otherwise required by Statutes be advertised once in any leading Sinhala, Tamil and English national daily newspaper.
152. Any member whose registered address is not within Sri Lanka may name and address within Sri Lanka which, for purposes of notices shall be considered as his registered address. If a member has no registered address in Sri Lanka and has not supplied to the Company an address within Sri Lanka for the giving of notices to him, a notice posted up in the Registered Office of the Company shall be deemed to be duly given to him at the expiration of twenty-four hours from the time when it is so posted up.
153. Notwithstanding anything in these Presents contained the Directors may if they so determine and at the cost and expense of the Company cause any notice or circular to members to be sent by airmail to the address outside Sri Lanka of all such members whose address outside Sri Lanka the Company or its Secretaries and/or Agents and Secretaries shall be aware and that whether or not the member shall have registered an address in Sri Lanka or shall have been sent such notice or circular to his address in Sri Lanka. A notice so sent by airmail shall be deemed to have been served at the expiration of seven days after the posting of the same. Nothing in these articles contained shall entitle a member who has not registered or supplied an address in Sri Lanka to have notices sent to him of a general meeting.
154. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register of Members in respect of the share.
155. A notice may be given by the Company to the persons entitled to a share in consequence of the death, bankruptcy or insolvency of a member, upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or, trustee of the bankrupt or insolvent, or by any like description, at the address, if any, within Sri Lanka supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Presents shall, notwithstanding that such member be then dead or bankrupt or insolvent and whether or not the Company has notice of his death or bankruptcy or insolvency, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder.



156. Notice of every general meeting shall be given in the manner herein before authorised to –
- (A) every member;
  - (B) every person upon whom the ownership of a share devolves by reason of that person being a legal representative or a trustee in bankruptcy or insolvency of a member where the member but for the death or bankruptcy of that member would be entitled to receive notice of the meeting;
  - (C) the auditor for the time being of the Company; and
  - (D) the Registrar of Companies.
- No other person shall be entitled to receive notices of general meeting.

#### **WINDING UP**

157. (i) If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of an Special Resolution and any other sanction required by the Statutes divide amongst the contributories in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as the liquidator deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the contributories or different classes of contributories. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is a liability.
- (ii) If thought expedient any such division may be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special right or may be excluded altogether or in part, but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to section 317 of the Statutes.
- (iii) In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten (10) days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his portion and pay him the net proceeds, and the Liquidator shall, if practicable, act accordingly. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company, dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability.
- (iv) Any member of the Company, whether a Director or not, and whether alone or jointly with any member or person, firm or company, may become the purchaser of the property of the Company or any part thereof in a winding up or at any other time when a sale of the Company's property or any part thereof shall be made or effected on the liquidation of the Company.



## INDEMNITY

- 158 (1) The Company may indemnify a Director or employee of the Company or related Company, for any costs incurred by him in any proceeding – **Amended on 28.03.2011**
- i. that relates to liability for any act or omission in his capacity as a director or employee; and
  - 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 Companies Act.
- (2) The Company may indemnify a Director, or employee of the Company or a related Company in respect of –
- i liability to any person other than the Company or a related Company, for any act or omission in his capacity as a Director or employee; or
  - ii. cost incurred by that Director or employee in defending or settling any claim or proceeding relating to any such liability,
  - iii. not being criminal liability or in a case of a Director, liability in respect of a breach of the duty specified in section 187 of the Companies Act.
- (3) 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 –
- i. liability not being criminal liability, for any act or omission in his capacity as a Director or employee;
  - ii. costs incurred by that Director or employee in defending or settling any claim or proceeding relating to any such liability; or
  - iii. costs incurred by that Director or employee in defending any criminal proceedings in which he is acquitted.
- (4) In this section –
- “Director” includes a former Director;
- “employee” includes a former employee.

## MISCELLANEOUS

- 159 (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 Companies Act, the following documents – **Amended on 28.03.2011**
- (i) the certificate of incorporation and the Articles of the Company;
  - (ii) minutes of all meetings and resolutions of Shareholders passed within the last ten years;
  - (iii) an interest register;

- (iv) minutes of all meetings and resolutions of Directors passed and Director's committees held within the last ten years;
- (v) certificates required to be given by the directors under the Companies Act within the last ten years;
- (vi) the register of Directors and Secretaries required to be kept under Section 223 of the Companies Act;
- (vii) copies of all written communications to all Shareholders or all annual reports of the Company prepared under Section 166 of the Companies Act;
- (viii) copies of all financial statements and group financial statements required to be completed under the Companies Act for the last ten completed accounting periods of the Company;
- (ix) the copies of instruments creating or evidencing charged and the register of charges required to be kept under Sections 109 and 110 of the Companies Act;
- (x) the share register required to be kept under Section 123 of the Companies Act; and
- (xi) the accounting records required to be kept under Section 148 of the Companies Act for the current accounting period and for the last ten completed accounting periods of the Company.

(2) The reference in paragraph (1) of his Article to "ten years" and to "ten completed accounting periods" shall include such lesser periods as the Registrar may decide where he considers it necessary and appropriate.

160 (1) The Directors of the Company are entitled to have access to the Company's records in accordance with Section 118 of the Act.

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(2) In addition to the records being made available for public inspection under Section 120 of the Companies Act, a Shareholder of the Company is entitled to inspect the following documents with written notice of the Company –

- (a) minutes of all meetings and resolution of Shareholders;
- (b) copies of all written communications to all Shareholders or to all holders of a class of shares during the preceding ten years, including annual reports, financial statements, and group financial statements;
- (c) certificates issued by directors under the Companies Act; and
- (d) the interests register of the Company.

(3) However,

- (a) the aforesaid documents shall be available for inspection at the place at which the Company's records are kept between the hours of 9.00 a.m. and 4.00 p.m. on each working day during the inspection period; and
- (b) a document of which the certified copy has been provided to the person or Shareholder concerned without charge need not be made available for inspection.

The “inspection period” referred to above means the period commencing on the third working day after the day on which the notice of intention to inspect is served on the Company by the Shareholder concerned and ending on the eighth working day after the day of service.

- (4) A Shareholder is also entitled 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 of 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.

I, the undersigned, as Secretary to the Treasury, hereby subscribe to the conversion of Sri Lanka Telecom into a public company under the Act No. 23 of 1987 in pursuance of this Memorandum of Association and agree to take up the number of shares in the capital of the company to be allotted in my favour (in the official capacity) by the Registrar of Companies under Section 2 (3) of the said Act No. 23 of 1987.

Signed this 24<sup>th</sup> day of September in the year one thousand nine hundred and ninety six.

.....*Sgd illegibly*.....  
Secretary to the Treasury

Witness to the above signature at Colombo this 24<sup>th</sup> day of September in the year one thousand nine hundred and ninety six.

.....*Sgd illegibly*.....  
Attorney-at-Law & Notary Public

