

CEYLON GUARDIAN INVESTMENT TRUST PLC

(Company No. PQ 52)

CIRCULAR TO SHAREHOLDERS

Dear Sir/Madam,

ADOPTION OF THE PROPOSED NEW SET OF ARTICLES OF ASSOCIATION IN PLACE OF THE EXISTING ARTICLES OF ASSOCIATION OF THE COMPANY

Ceylon Guardian Investment Trust PLC (“the Company”) was originally incorporated on 21.04.1951 and re-registered on 24.07.2007, under the present Companies Act No.07 of 2007 (“the Present Companies Act”). The existing Articles of Association of the Company had been adopted on 12.01.1991. Thereafter, certain changes had been made to these Articles from time to time in terms of Companies Act No.17 of 1982 and Companies Act No.07 of 2007.

It is recommended by the Directors, to consider adopting a new set of Articles of Association (“proposed new Articles”) to replace the existing set of Articles of Association of the Company, with the objective of having a simplified set of Articles drafted in line with the provisions of the Present Companies Act and the listing rules of the Colombo Stock Exchange.

The structure of the proposed new Articles is described below, with a view to facilitate the understanding of same;

The proposed new Articles of Association are organized under 8 main section titles.

- 1. Preliminary** – This section states that, the Articles apply to the Company to the exclusion of the regulations contained in the First Schedule to the Present Act. This segment also sets out the definitions applicable to the proposed new Articles.
- 2. Objects** – This section deals with the Objects of the Company. In terms of the Present Companies Act it is not mandatory to limit the activities that a company may undertake by setting out the objects in the Articles. Accordingly, the objects of the Company are not limited by the proposed

new Articles and the Company may undertake any type of business as may be decided by the Directors. This is as opposed to the large number of object clauses contained in the existing Articles.

3. Shares – This section deals with matters relating to Issue of Shares, Variation of Rights, Calls on Shares, Lien, Consolidation and Sub-Division of Shares, Distributions to Shareholders, Repurchase of Shares, Financial Assistance in Connection with Purchase of Shares, Share Register, Transfer of Shares, Transmission of Shares and Share Certificates.

(i) Concepts such as “authorised share capital”, “paid up amount”, “stocks”, “nominal value” and “share premium account” have been removed from the proposed new Articles, since the Present Companies Act has done away with such concepts.

(ii) Articles 4(1) to 4(3) have been worded in line with the language and requirements of the Present Companies Act in relation to issuance of shares, the right to issue redeemable shares, the obligation of the Board of Directors to determine the consideration for issue of shares and pre-emptive rights attached to shares.

(iii) The terms and conditions applicable to Deferred Shares which are found in the existing Memorandum of Association have been set out in Articles 4 (1) (i) to (iv) of the proposed new Articles. Paid up value concept has been replaced with “stated capital” in this Article too and a definition of stated capital has been included in Article 4(1) (iii) for clarity. The existing superior voting rights attached to the Deferred Shares have been included under Article 4(1) (ii) of the proposed new Articles.

4. Meetings of Shareholders – This section deals with shareholder meetings. Standard clauses relating to the procedures convening and holding shareholder meeting have been set out. Quorum for shareholders meeting which is 3 shareholders has been retained.

5. Directors – This section contains standard Articles relating to directors such as appointments, removals, transactions in which a director is interested, appointment of alternate directors, proceedings of directors, general powers of directors, borrowing powers and appointment of

company secretary etc. The existing minimum number of directors 3 and maximum number of directors being 7 has been retained in the proposed new Articles. Quorum for directors' meetings being 3 directors has also been retained. Provisions relating to retirement and re-election of directors and appointment of Nominee Directors have also been retained.

Directors general powers have been restricted under Article 85(1) whereby a special resolution of shareholders is required for certain actions such as to (i) sell, exchange or otherwise dispose of immovable assets/property of the Company other than a sale or disposal of fixed assets or any part thereof in the ordinary course of business; (ii) lease or sub-lease any land belonging to or held by the Company or any part thereof for a period exceeding 21 years; (iii) alter any provisions of the Articles (iv) alter the maximum or minimum number of directors (v) exceed the borrowing powers set out in the Articles.

6. **Accounts and Audit** – This section contains standard provisions relating to accounting records, financial statements, audit and appointment of auditor.
7. **Liquidation** – This section deals with voluntary winding up of the company by shareholders and the distribution of surplus assets.
8. **Miscellaneous** - This section covers miscellaneous matters such as method of contracting and placing of the common seal, authentication of documents, minutes, documents to be kept by the Company, rights of directors and shareholders to documents, insurance and indemnity, change of name of the Company, Change of registered address of the Company, sending notices and compliance with the Listing Rules and CDS Rules of the Colombo Stock Exchange.

The proposed new set of Articles of Association is available on/via the,

- Group website www.carsoncumberbatch.com
- URL link
[http://www.carsoncumberbatch.com/investor information/announcements/pdf/guar/ Proposed new-set-of-Articles-of-Association-of-CGIT.pdf](http://www.carsoncumberbatch.com/investor%20information/announcements/pdf/guar/Proposed-new-set-of-Articles-of-Association-of-CGIT.pdf)
- Colombo Stock Exchange website www.cse.lk

If you wish to receive a printed copy of the proposed new set of Articles of Association of the Company, you are kindly requested to complete and forward the attached Form of Request to the following address **on or before 12th September 2020.**

*Carsons Management Services (Private) Limited
Secretaries to Ceylon Guardian Investment Trust PLC
No.61, Janadhipathi Mawatha, Colombo 1
Sri Lanka*

*Or fax to +94 112337671 OR +94 112039 300
Or e-mail to mayanthid@carcumb.com / roniap@carcumb.com*

Yours faithfully
By Order of the Board
CEYLON GUARDIAN INVESTMENT TRUST PLC
CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
Secretaries

61, Janadhipathi Mawatha,
Colombo 01.
Sri Lanka

On this 10th day of August 2020

CEYLON GUARDIAN INVESTMENT TRUST PLC
FORM OF REQUEST FOR A PRINTED COPY OF THE
NEW SET OF ARTICLES OF ASSOCIATION

TO: Carsons Management Services (Private) Limited
 Secretaries to
 Ceylon Guardian Investment Trust PLC
 No. 61, Janadhipathi Mawatha,
 Colombo 1
 Sri Lanka



I would like to receive a printed version of the proposed new set of **Articles of Association of Ceylon Guardian Investment Trust PLC**

SHAREHOLDER DETAILS

Full name of Shareholder	
Shareholder's NIC/ Passport/ Company Registration No.	
Address	
Contact No.	

.....
Signature

.....
Date

Notes:

1. Please complete the Form of Request by filling in legibly the required information, signing in the space provided and filling in the date of signature.
2. Please forward the completed Form of Request to the Company Secretary at the address given above or fax to +94 11 2337671/+94 11 2039300 or e-mail to mayanthid@carcumb.com / roniap@carcumb.com, to reach us on or before 12th September 2020.
3. In the event the shareholder is a Company, the Form of Request should be signed under its Common seal or by a duly authorised officer of the Company in accordance with its Articles of Association.
4. If you have any query regarding this Form of Request please contact us on +94 11 2039273/+94 11 2039278 / + 94 712 791 246.

