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MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF

LAXAPANA BATTERIES LIMITED

REVISED AND REPRESENTED AS AT 29TH DECEMBER 1981



No. of Company: P. BS. 330.

The Companies' Ordinance, No. 51 of 1938

Limited Company

Certificate of Incorporation

(Pursuant to Section 14 (1))

I hereby certify that Elephant Lite Corporation Limited is this day incorporated under the Companies' Ordinance, No. 51 of 1938, and that the Company is Limited.

Given under my hand at Colombo this Thirteenth day of August One Thousand Nine Hundred and Fifty-six.

(Sgd.) W. M. Sellyah,
Registrar of Companies

MEMORANDUM OF ASSOCIATION
OF
ELEPHANT LITE CORPORATION LIMITED

Name of the
Company changed as
per Special
Resolution passed
on 26.08.2005
(Refer Annexure)

- A. The name of the Company is "ELEPHANT LITE CORPORATION LIMITED."
- B. The Registered Office of the Company shall be situated in the District of Colombo.
- C. The objects for which the Company is established are :—
1. To carry on business as manufacturers of and dealers in electric batteries, components, torch cases, lamps, electric bulbs, and electrical accessories of all types.
 2. To carry on business as iron and brass founders, mechanical engineers, manufacturers of agricultural implements and other machinery, tool makers, metal workers, polishers, mill wrights, machinists, wood workers, builders, painters, electroplaters, nickelplaters, metallurgists, glass blowers, refrigeration engineers, water supply engineers, gas makers, instrument makers, and more particularly, makers and dealers in galvanic magnetic and electrical equipment, appliances and accessories, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, equipment, apparatus, accessories, hardware and electrical goods of all kinds.
 3. To carry on business as general and specialized electrical engineers, contractors, and dealers in electricity, electro-motive power, heat, light sound, atomic, cosmic and solar and all other types of energy, and in any other business in which the application of electricity or energy can be used.
 4. To carry on business as manufacturers of and dealers in wireless sets, refrigeration equipment, transmission sets, generators, telephones, telegraphs, phonographs, electric cables, insulators, electrical appliances, accessories, household goods, hardware, and ornamental works of all kinds.

5. To carry on business as stationers, printers, lithographers, stereotypers, electrotypers, photographic printers, photo-lithographers, engravers, die-sinkers, manufacturers of plastics and synthetics, cardboard manufacturers, box makers, paper makers, ink manufacturers, book sellers and publishers of all types, and dealers in materials used in the above business or manufacture.
6. To purchase or otherwise acquire letters patent, brevets d'invention, concessions, licences, inventions, rights and privileges, subject to royalty or otherwise, and whether exclusive or non-exclusive or limited or any part interest in such letters patent, brevets d'invention, concessions, licences, inventions, rights and privileges, whether in Ceylon or in any other part of the world.
7. To sell, let or grant any patent rights, brevets d'invention, concessions, licences inventions, rights or privileges belonging to the Company, or which it may acquire or any interest in the same.
8. To register any patent or patents for any invention - or inventions, or obtain exclusive or other privileges in respect of the same, in any part of the world, and to apply for exercise, use, or otherwise deal with or turn to account any patent rights, brevets d'invention, concessions, monopolies, or other rights or privileges, Acts of Parliament or provisional orders, either in Ceylon or in any other part of the world.
9. To manufacture and produce, and trade and deal in all machinery, plant, articles, appliances, and things capable of being manufactured, produced or traded in by virtue of or in connection with any such letters patent, brevets d'invention, concessions, licences, invention, rights or privileges as aforesaid.
10. To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
11. To acquire and undertake the whole or any part of the business, property, and liabilities of any person or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of this Company.
12. To take, or otherwise acquire, and hold shares in any other Company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this company.
13. To enter into any arrangements with any governments or authorities supreme, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from any such government or authority, any rights, privileges, and concessions which the company may think it desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges, and concessions.
14. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or ex-employees of the company (or its predecessors in business) or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object.
15. To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this company, or for any other purpose which may seem directly or indirectly calculated to benefit this company.
16. Generally to purchase, take on lease or in exchange, hire, or otherwise acquire, any real and personal property, and any rights or privileges which the Company may think necessary or convenient for the purposes of its business (and in particular any land, buildings, easements, machinery, plant, and stock-in-trade).

17. To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined.
18. To lend money to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the company, and to guarantee the performance of contracts by any such persons or companies.
19. To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the issue of debentures, or debenture stock, perpetual or otherwise, charged upon all or any of the company's property (both present and future) including its uncalled capital, and to purchase, redeem, or pay off any such securities.
20. To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the company's capital or any debentures, debenture stock or other securities of the company, or in or about the formation or promotion of the company or the conduct of its business.
21. To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
22. To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards, and donations.
23. To obtain any provisional order or Act of Parliament for enabling the company to carry any of its objects into effect, or for effecting any modification of the company's constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or application which may seem calculated, directly or indirectly, to prejudice the company's interests.
24. To procure the company to be registered or recognised in any foreign country or place.
25. To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account, or otherwise deal with, all or any part of the property and rights of the company.
26. If thought fit to obtain any Act of Parliament dissolving the Company and re-incorporating its members as a new company for any of the objects specified in this memorandum, or for effecting any other modification in the company's constitution.
27. To promote freedom of contract, and to resist, insure against, contract and discourage interference therewith, and to subscribe to any association or fund for any such purposes.
28. To lend money and negotiate loans.
29. To draw, accept, endorse, discount buy, sell, and deal in bills of exchange, promissory notes, bonds, debentures, coupons, and other negotiable instruments and securities.
30. To issue on commission, subscribe for, take, acquire, and hold, sell, exchange, and deal in shares, stocks, bonds, obligations, or securities of any government authority.
31. To form, promote, subsidise, and assist companies, syndicates, and partnerships of all kinds.
32. To acquire, improve, manage, work, develop, exercise all rights in respect of, lease, mortgage, sell, dispose of, turn to account, and otherwise deal with, property of all kinds, and in particular land, buildings, concessions, patents, business concerns and undertakings.

33. To carry on all or any of the business of importers, exporters, refrigerators, ship-owners, ship-builders, charterers of ships or other vessels, warehousemen, merchants, ship and insurance brokers, carriers, forwarding agents, wharfingers, sheep farmers, stock owners and breeders, pasturers, graziers, manufacturers of extract of meat, preservers and packers of provisions of all kinds, brewers, metallurgists, quarry owners, brickmakers, wool washers, tallow melters, tanners, artificial manure makers, coopers, carpenters and mechanical engineers.
34. To do all such as shall be incidental, or conducive, to the attainment of the objects above mentioned or any of them and the objects specified in any paragraph are not to be limited or restricted by reference to or inference from any other paragraph. None of the said paragraphs or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary merely to the objects mentioned in the first sub-paragraph of this paragraph, or by the name of the company, but the company shall have full power to exercise all or any of the powers conferred by any part of this paragraph in any part of the world and not withstanding that the business undertaking property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-paragraph of this paragraph.

... The liability of members is limited.

Existing Clause E. The share Capital of the Company is Rs. 5,000,000 divided into 500,000 shares of Rs. 10/- each. The shares in the original or increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, return to capital, voting or otherwise.

E amended as per Special Resolution passed on 16.8.1991 (Refer Annexure)

We, the several persons, whose names, addresses and descriptions are subscribed, are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of the shares in the capital of the Company set opposite our respective names.

<i>Names, addresses and Descriptions of Subscribers.</i>	<i>Number of shares taken by Each Subscriber.</i>
E. V. R. Samerawickrame Edmund Vernon Raymond Samerawickrame, C.B.E., "Gresham," Cambridge Place, Colombo. Advocate.	One
E. P. A. Fernando Sir Ernest Peter Arnold Fernando, C.B.E., "Udayasiri," Havelock Road, Colombo. Landed Proprietor.	One
J. A. D. Victoria Sir Joseph Aloysius Donatus Victoria, K.T., C.B.E., J.P., 38, Skelton Road, Colombo 5. Merchant.	One
Eric C. E. de Soysa Eric Charles Edwin de Soysa, B.A. (Cantab.), 71, Turret Road, Colombo. Barrister-at-Law.	One
G. Wignaraja Dr. Gnanasakaram Wignaraja, M.R.C.S., L.R.C.P., 75, Kynsey Road, Colombo. Barister-at-Law.	One
A. H. Dember Adolf Heinz Dember, 25, Shady Grove Avenue, Colombo. Company Director.	One
C. V. de Silva Cecil Vincent de Silva, 12, Galle Road, Wellawatta, Merchant.	One
Total shares taken ..	Seven

Witness to the above signatures at Colombo this Twenty Third day of July, 1956.

E. C. S. Paul,
Deputy Director of Industries.

Note 1: Special Resolution Passed on 24th September 1956 :

Resolved that out of the unissued capital of the Company 1,000 shares of ten rupees each be issued as fully paid up preference shares and that the holders of the said preference shares shall have the right to a fixed cumulative preferential dividend at the rate of five per centum per annum, on such shares and the right to rank in a winding up both as regards capital and dividend in priority to the other shares.

Note 2: Ordinary Resolutions passed on 27th March 1961 :

“Resolved that the Nominal Capital of the Company be diminished from Rupees Five Million (Rs. 5,000,000) consisting of 500,000 shares of rupees ten each, of which 149,996 fully paid shares have been issued with preferential rights attached and 91,859 fully paid shares have been issued without any special rights attached to them, to 350,000 shares by the cancellation of 150,000 unissued shares of Rs. 10/- each which have not been taken up or agreed to be taken up by any person at the date of this resolution.”

“Resolved that Clause E of the Memorandum of Association of the Company be amended to read—

The Nominal Capital of the Company is Rupees Three Million Five Hundred Thousand (Rs. 3,500,000) divided into several classes, and there may be attached thereto respectively any preferential, deferred, or other special rights, privileges, conditions or restrictions as to dividend, return to capital, voting or otherwise.”

Note 3: Ordinary Resolutions passed on 9th September, 1970.

1. “Resolved that the Nominal Capital of the Company of Rupees Three Million Five Hundred Thousand (Rs. 3,500,000) consisting of 81,855 Redeemable Cumulative Participating Preference shares of Rs. 10/- each, 1,000 5% Cumulative Preference shares of Rs. 10/- each and 267,145 Ordinary shares of Rs. 10/- each, be increased to Rupees Five Million (Rs. 5,000,000) by the cancellation of the 81,855 5% Redeemable Cumulative Participating Preference shares of Rs. 10/- each, which have not been taken up or agreed to be taken up by any person at the date of this resolution and by the creation of 231,855 Ordinary shares of Rs. 10/- each ranking in all respects pari passu with the existing Ordinary shares of the Company.”

2. “That Clause E of the Memorandum of Association of the Company as amended by Ordinary Resolution passed on 27th March, 1961, be amended to read —

“The Nominal Capital of the Company is Rupees Five Million (Rs. 5,000,000) divided into 500,000 shares of Rs. 10/- each. The shares in the original or increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other specific rights, privileges, conditions or restrictions as to dividend, return to Capital, voting or otherwise.”

Note 4: Ordinary Resolution passed on 7th May, 1980.

“Resolved that Clause E of the Memorandum of Association of the Company as amended by ordinary Resolution passed on 9th September, 1970, be amended to read :

The Nominal Capital of the Company is Rupees Twelve Million (Rs. 12,000,000) divided into 1,200,000 shares of Rs. 10/- each. The shares in the original or increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, return to capital or otherwise”.

ARTICALES OF ASSOCIATION

OF

Name of the Company
changed as per Special
Resolution passed on
26.08.2005
(Refer Annexure)

ELEPHANT LITE CORPORATION LIMITED

COMPANY LIMITED BY SHARES

PRELIMINARY

1. The Regulations contained in Table A in the First Schedule to the statutes shall not apply to the Company.

Regulations
in Table "A"
not to apply

2. 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 meanings set opposite to them respectively in the second column thereof :—

Interpretation

<i>Words</i>	<i>Meanings</i>
The Company	.. ELEPHANT LITE CORPORATION LIMITED
The Statutes	.. The Companies Ordinance, No. 51 of 1938 and every other Act or Ordinance 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 and Extraordinary Resolution	.. Have the meanings assigned thereto respectively by the statutes ;
The Board	.. The directors for the time being of the Company including (where the context so admits or requires) Alternate Directors ;
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 ;
Paid up	.. Paid up or credited as paid up ;

The expression "debenture" and "debenture—holder" shall include "debenture-stock" and "debenture-stock holder" and the expression "the Secretary" or "the Secretaries" shall include any individual firm or company appointed by the Board to perform any of the duties of the Secretary.

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

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

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

Prohibition on subscription for or purchase of Company's own shares

3. 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 of or for any shares in the Company or, where the Company is a subsidiary company 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 regulation shall prohibit transactions authorised by the statutes.

CAPITAL

Existing Capital Article amended as per Special Resolution passed on 16.8.1991 (Refer Annexure)

4. The capital of the Company is Rupees Twelve Million (Rs. 12,000,000/-) divided into one million two hundred thousand (1,200,000) shares of Rupees Ten (Rs. 10/-) each.

Redeemable preference shares

5. Without prejudice to any special rights previously conferred on the holders of any share 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, return of capital, voting 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 liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by special resolution determine.

VARIATION OF RIGHTS

How special rights of shares may be varied

6. Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may 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 the class, or with the sanction of an extraordinary 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 relative to general meetings of the Company, or to the proceedings thereof, shall *mutatis mutandis*, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy or attorney or representative 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 such holders who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy or attorney or representative may demand a poll, and that each holder shall on a poll have one vote for every share of the class held by him.

7. 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.

Issue of shares ranking pari passu

INCREASE AND REDUCTION OF CAPITAL

8. The Company may from time to time, with the sanction of an ordinary resolution of the Company in general meeting, increase its authorised 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 a 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.

Power to increase capital

9. All new shares shall be subject to the provisions of these presents with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Rights and liabilities attached to new shares

10. (a) The Company may by ordinary resolution :—

(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares ;

Power to consolidate shares

(ii) 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 ;

Power to cancel shares

(iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares ;

Power to sub divide shares

(b) The Company may by special resolution reduce its capital or any capital redemption reserve fund or any share premium account, in any manner authorised by the statutes.

11. Nothing in these presents contained shall preclude the Board from recognising and acting on a renunciation of the allotment of any share by the allottee thereof in favour of any other person.

Renunciation of allotment

Article No.12A included as per Special Resolution dated 16.8.1991 (Refer Annexure)

12. Save as the Company may by Ordinary Resolution otherwise direct the shares in the capital of the Company for the time being shall be at the disposal of the Board and they may allot, grant options over 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 5 hereof) as they think proper.

Shares at the disposal of the Board

13. 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 10% of the shares in each case subscribed or to be subscribed. Such commission may be satisfied in whole or in part by the allotment (if so agreed) of fully or partly paid shares. The Company may also on any issue of shares pay such brokerage as may be lawful.

Power to pay Commission and brokerage

Article No.14A and 14B included as per Special Resolution dated 26.10.2004 (Refer Annexure)

Exclusion of equities

14. 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 compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof as the registered holder.

CERTIFICATES AND WARRANTS

Issue of Certificates

15. Every person whose name is entered as a member in the Register of members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the terms of issue shall provide) 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 Board shall from time to time determine, several certificates, each for one or more of his shares of any one class. Where a member transfers 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 issued in lieu without charge. Every certificate shall be issued under the Seal 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 executors or 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 therefor and delivery of a certificate to one of such persons or his duly authorised representative shall be sufficient delivery to all.

Renewal of Certificates

16. 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 indemnity and the payment of out-of-pocket expenses of the company in investigating evidence as the Board think fit.

Share Warrants

17. The Company may issue share warrants to bearer in respect of any fully paid-up shares of the Company stating that the bearer of the warrant is entitled to the shares therein specified. Such warrants shall be issued upon such terms and subject to such conditions as may be resolved upon by the Directors.

CALLS ON SHARES

Calls

18. The Board 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 calls 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 at least fourteen days notice being given specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.

Time when made

19. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable by instalments.

Liability of joint-holders

20. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Interest on calls

21. 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 that sum from the day appointed for payment thereof to the time of actual payment at such rate, as the Board determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

22. 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 a fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Sums due on allotment to be treated as calls

23. The Board shall not on any issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

Power to differentiate

24. The Board 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 the calls then made upon the shares concerned, the Company may pay interest at such rate as the members paying such sum and the Board agree upon.

Payment in advance of calls

FORFEITURE AND LIEN

25. If a member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter issue a notice in writing on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.

Notice Requiring payment of Calls

26. The notice shall name a further day (not being less than twenty-eight days from the date of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

Notice to state time and place for payment

27. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at 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 Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Board may accept a surrender of any share liable to be forfeited hereunder.

Forfeiture on noncompliance with notice

Surrender in lieu of forfeiture

28. A share so forfeited or surrendered shall become the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposal the forfeiture or surrender may be cancelled on such terms as the Board think fit. The Board may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

Sale of shares forfeited or surrendered

29. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares, with interest thereon at nine per cent per annum (or such lower rate as the Board may approve) from the date of forfeiture or surrender until payment but the Board may waive payment of such interest either wholly or in part.

Rights and liabilities of members whose shares have been forfeited or surrendered

Company's lien

30. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest in any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends payable thereon. The Board may resolve that any share shall for some specified period be exempt from the provisions of this article.

Sale of shares subject to lien

31. The Company may sell in such manner as the Board think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

Application of proceeds of such sale

32. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of sale. For giving effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser.

Title to shares forfeited or surrendered or sold to satisfy a lien

33. A declaration in writing under oath or affirmation that the declarant is a director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate of proprietorship of the share under seal delivered to the purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by an irregularity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

Forfeiture for non-payment of instalments

34. 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 and if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

Form of Transfer

35. Subject to such of the restrictions in these presents as may be applicable, all transfers of shares may be affected by instrument in writing in any usual or common form which the Board may approve and may be under hand only

36. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. Execution

37. The Board may, in their absolute discretion and without assigning any reason therefor decline to register any transfer of shares (not being fully paid shares) to a person of whom they shall not approve as transferee and they may also decline to register any transfer of shares (not being fully paid shares) on which the Company has a lien. If the Board refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of such refusal. Board's power to decline to register

38. The Board may decline to recognise any instrument, unless—

(i) Such fee not exceeding Rupees Five (Rs. 5/-) as the Board may from time to time require is paid to the Company in respect thereof; and Fee payable

(ii) the instrument of transfer properly stamped is deposited at the office or such other place as the Board may appoint accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and Deposit of transfer

(iii) 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.

REGISTRATION OF TRANSFERS

39. The Board may by such means as they shall deem expedient authorise the registration of transfers or transmissions of shares without the necessity of any meeting of the Board for that purpose. Registration without meeting

40. 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 Board 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. Suspension of Registration

41. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney, or other document relating to or affecting the title to any shares or for making any entry in the Register of Members affecting the title to any share, such fee, not exceeding Rupees Five (Rs. 5/-) as the Board may from time to time require to prescribe. Fee for registration

TRANSMISSION OF SHARES

42. In the case of the death of a member the survivor or survivors where the deceased was a joint holder and the executors or administrators of the deceased (or where the estate of the deceased is under the administrable value of the heirs of the deceased) where he was the sole or only surviving holder shall be the only persons recognised by the Company as having any title to his shares but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him. Transmission on death

Registration of executors etc.

43. Any person becoming entitled to shares in consequence of the death or bankruptcy of any member, upon producing proper evidence of the grant of probate or letters of administration or such other evidence that he sustains the character in respect of which he proposes to act under this article or of his title as the Board think sufficient, may with the consent of the Board be registered as a member in respect of such shares, or may subject to the regulations as to transfers herein before contained, transfer such shares. The Board shall have the same right to refuse to register a person entitled to any shares by transmission in terms of this article or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.

Rights of unregistered executors, etc.

44. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled in respect thereof to exercise any right conferred by membership, in relation to meetings of the Company or, save as otherwise provided by or in accordance with these presents, to any of the rights or privileges of a member until he shall have become a member in respect of the share.

GENERAL MEETINGS

Annual General Meeting

45. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meetings shall be held at such time and place as the Board shall determine. All general meetings other than annual general meetings shall be called extraordinary general meetings.

Extraordinary General Meeting

46. The Board may whenever they think fit convene an extraordinary general meeting.

NOTICE OF GENERAL MEETINGS

Notice

47. An annual general meeting and any general meeting at which it is proposed to pass a special resolution or (save as provided by the statutes) a resolution of which special notice is required by these presents to be given by the Company shall be called by twenty one days' notice in writing at the least, and any other general meeting by fourteen days' notice in writing at the least, (exclusive in each case of the day on which it is served or deemed to be served and of the day for which it is given), given in manner mentioned in these presents to such members as are under the provisions of these presents entitled to receive such notices from the Company and to the auditors; Provided that a general meeting notwithstanding that it has been called by shorter notice than that specified above shall be deemed to have been duly called if it is so agreed-

- (i) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
- (ii) in the case of any other General Meeting by that number or majority in number of the members having a right to attend and vote thereat, as is required by the statutes.

Omission or non-receipt of notice

48. The accidental omission to give notice to, or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any general meeting.

Contents of notice

49. (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 a 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 an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.

50. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say—
Routine Business

- (i) declaring dividends;
- (ii) considering the balance sheet, the reports 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 by rotation or otherwise.

51. The Directors shall, on the requisition of the holders of not less than one tenth 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.
When extraordinary meeting to be called Requisition

PROCEEDINGS AT GENERAL MEETINGS

52. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Three members present in person or by proxy or by attorney or in the case of a corporation by a representative duly authorised as provided by Article 72 shall be a quorum for all purposes.
Quorum

53. If within fifteen 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 at 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 fifteen minutes from the time appointed for holding the meeting, the members present (if more than one) shall be a quorum.
Adjournment if quorum not present

54. The Chairman or in his absence the Deputy - Chairman of the Board shall preside as Chairman at every General Meeting. If there be no such Chairman or Deputy-Chairman, or if at any meeting, he be not present within five minutes after the time appointed for holding the meeting or be unwilling to act, the directors present shall choose one of their number to be Chairman of the meeting or, if no director be present or if all the directors present decline to take the chair, the members present shall elect one of their number present to be Chairman of the meeting.
Chairman

55. The Chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
Adjournment
Notice of adjournment

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Method of voting

56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by --

- (i) the Chairman of the meeting; or
- (ii) not less than three persons present in person or by proxy or by attorney or by representative and entitled to vote; or
- (iii) a member or members present in person or by proxy, or by representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy, or by attorney or by 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 of the total sum paid up on all the shares conferring that right.

A demand for a poll may be withdrawn. Unless a poll be demanded (and the demand be not withdrawn) a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

How poll to be taken

57. 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 a 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.

Chairman's Casting Vote

58. In the case of an equality of votes, whether on a show of hands or on a poll, 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.

Time for taking a poll

59. A poll demanded on the election of a Chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.

Continuance of business after demand for poll

60. 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

Votes of Members

61. 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 by 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.

62. In the case of joint-holders of a share the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, shall be accepted to the exclusion of the votes of the other joint-holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

Voting rights of joint-holders

63. 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 Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which such person claims to vote or in the case of a poll not less than forty-eight hours before the time appointed for the taking of the poll.

Voting rights of lunatic members

64. 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 or other sums presently payable by him in respect of shares in the Company have been paid.

No right to vote where a call is unpaid

65. No objection shall be raised as to qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

Qualification of voter

66. On a poll votes may be given either personally or by proxy or by attorney or by representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Votes on a poll

67. The instrument appointing a proxy shall be in writing and -

Execution of proxies

(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 signed 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.

68. 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 office in each case not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll forty eight hours before the time appointed for the taking of the poll at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Deposit of proxies

69. An instrument appointing a proxy shall be in the following form or in a form as near thereto as circumstances admit:—

Form of Proxy

ELEPHANT LITE CORPORATION LIMITED

I / We,
of
being a member/members of the above named Company, hereby
appoint of
failing him of
as my/our proxy to represent me/us and to vote for me/us on
my/our behalf at the annual/extraordinary, (as the case may be)
general meeting of the Company to be held on the
day of 19 and at any adjournment thereof.
Signed this day of 19

Proxies
general
provisions

- 70. (i) Any form of proxy issued by the Company may in the case of a meeting at which special business is to be transacted be so worded that a member may direct his Proxy to vote either for or against any of the resolutions to be proposed.
- (ii) The proxy shall be deemed to include the right to demand or join in demanding a poll.
- (iii) 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 meeting as for the meeting to which it related and need not be witnessed.

Intervening
death or
insanity of
principal
not to revoke
proxy

71. 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 the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVES

Representa-
tives

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

DIRECTOR

Number of
Directors

73. Until otherwise determined by a General meeting the number of Directors shall be not less than 5 nor more than 10.

74. The Government of Sri Lanka shall so long as it holds any shares in the Company have the right to nominate one person to be a Director of the Company hereinafter referred to as "Appointed Director". The Appointed Director need not hold any shares in the Company but shall exercise all the rights of an ordinary Director.

Existing Article Appointed
amended as per Director and
Special Resolution Nominee
passed on 16.8.1991 Director
(Refer Annexure)

The National Development Bank of Sri Lanka shall so long as a loan from the Bank to the Company is outstanding have the right to appoint and remove from time to time whole time or non-whole time one person to be a Director of the Company hereinafter referred to as "Nominee Director". The Nominee Director shall not be required to hold any qualification shares in the Company but shall exercise all the rights of an ordinary Director. A Nominee Director shall not be liable to retire.

A further paragraph to be included under Article numbered 74 as per Special Resolution dated 10.10.1986 (Refer Annexure)

75. The continuing Directors at any time may act, notwithstanding any vacancy in their body; provided always that if the number falls below the minimum fixed by or under these Articles, the Directors shall not, except for the purpose of filling vacancies or calling a General Meeting, act so long as the number is below the minimum.

Existing Article deleted and substituted with new Article as per Special Resolution passed on 16.08.1991 (Refer Annexure)

76. ~~The qualification of a Director, except the Appointed Director (if any) and the Nominee Director (if any) shall be the holding in his own right of one hundred shares. The Company in general meeting may from time to time alter the qualification.~~

Qualification of Directors

Existing Article amended as per Special Resolution passed on 10.10.1986 (Refer Annexure)

77. The remuneration of the Directors including the Appointed Director and the Nominee Director shall not exceed Rs. 48,000/- annually to be appropriated between them as they may determine, but the Company in general meeting may at any time alter the amount of such remuneration, provide for future remuneration of the Directors or any of them and may include provision by way of deferred remuneration or retiring allowances in respect of past services to be paid to them or any of them after they or he shall have ceased to be Directors or a Director.

Remuneration of Directors

Any remuneration payable under this Article shall be in addition to any remuneration to which any of the Directors may be entitled to in respect of any other position held under or employment by the Company.

78. All the Directors including the Appointed Director and the Nominee Director shall, subject to the approval of the Board of Directors be entitled to be repaid all travelling expenses from and to their usual place of residence in Sri Lanka and hotel expenses reasonably incurred by them respectively in or about the performance of their duties as Directors including their expenses of travelling to and from meetings of the Directors or a Committee of Directors.

Expenses

79. Any director, who serves on any committee or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

Extra Remuneration

80. A director may hold any other office or place of profit under 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 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.

Power of Directors to hold offices of profit and to contract with Company

Holding of
concurrent
office

81. A director may be or become a director or other officer of, or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise and no such director shall be accountable for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company. The Board may utilise the voting power of any shares or securities in any such company as aforesaid for the purpose of fixing the remuneration of the directors for such company or any of them.

VACATION OF OFFICE AND RETIREMENT OF DIRECTORS

Vacation of
office of
Director

82. The office of a director shall be vacated in any of the following events, namely:—

- (i) if he becomes prohibited by law from acting as a director;
- (ii) if he resigns by writing under his hand left at the office;
- (iii) if a receiving order is made against him or if he compounds with his creditors or is adjudicated an insolvent;
- (iv) if he be lunatic or becomes of unsound mind;
- (v) if (not being an Appointed Director or a Nominee Director) he be absent from three consecutive meetings of the Board without leave and the Board resolve that his office be vacated,
- (vi) if (not being an Appointed Director or a Nominee Director) he be requested in writing by a majority of his co-directors to resign;
- (vii) if (not being an Appointed Director or a Nominee Director) he be removed from office by resolution passed by a majority of his co-directors;
- (viii) if he (not being an Appointed Director or a Nominee Director) be removed from office by resolution of the Company under the provisions of these presents.

Selection of
Directors
to retire

83. At each Annual General Meeting of the Company, subject however to the provisions of Regulation 98 one-fourth of the Directors for the time being (not being an appointed Director or a Nominee Director) shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting including any adjournment thereof.

Retirement of
Directors by
rotation

84. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Filling vacated
office

85. 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 in writing notice to the Company that he is unwilling to be re-elected ; or
- (iii) the default is due to the contravention of the next following article.

86. Except as otherwise provided by the statutes a motion for the appointment of two or more persons as directors by a single resolution shall not be made at any general meeting unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void.

Appointment of Director to be voted on individually

87. No person other than a director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election as a director at any general meeting, unless not less than forty nor more than sixty days before the day appointed for the meeting there shall have been left at the office a special notice in writing addressed to the Company (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 an intimation in writing signed by the person to be proposed of his willingness to be elected.

Notice of intention to appoint Director

88. The Company may, by an ordinary resolution of which special notice has been given to the Company remove any Director (not being an Appointed Director or a Nominee Director) before the expiration of his period of office, notwithstanding any provisions 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.

Removal of Directors

89. The Company may, by ordinary resolution of which special notice has been given to the Company 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 Board as a casual vacancy.

Appointment to fill vacancy caused by removal from office

90. The Board shall have power at any time and from time to time to appoint any person to be a director either to fill a casual vacancy (other than a vacancy caused by the resignation, removal or death of an Appointed Director or a Nominee Director) or as an additional director, but so that the total number of directors shall not at any time exceed the maximum fixed by these presents. Any director so appointed shall hold office until the next annual general meeting and shall then be eligible for re-election.

The Board's power to fill casual vacancies or appoint additional directors

PROCEEDINGS OF DIRECTORS

91. The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meetings shall be determined by a majority of votes. In case of any equality of votes the chairman shall have a second or casting vote. A director may, and the Secretary on the requisition of a director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be given to all 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 or copies thereof as may be relevant to the meeting. It shall not be necessary to give notice of a meeting of the Board to any director for the time being absent from Sri Lanka.

Meeting of the Board

Notice

92. The quorum necessary for the transaction of the business of the Board may from time to time be determined by the Board and unless so determined shall when the number of Directors exceeds three, be three and when the number of directors does not exceed three be two. A meeting of the Board 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 Board.

Quorum

Declaration
of interest

93. A director who is in any way, whether directly or indirectly, interested in a contract arrangement or transaction or proposed contract, arrangement or transaction with the Company shall declare the nature of his interest in accordance with the provisions of the statutes and the same shall be recorded in the appropriate minutes of the Board.

Restriction
on voting

94. (a) Save as by the next following article otherwise provided a director shall not vote in respect of any contract, arrangement or transaction in which he is interested (and if he shall do so his vote shall not be counted) nor for the purpose of any resolution regarding the same shall he be counted in the quorum present at the meeting but this article shall not apply to —

- (i) any contract arrangement or transaction for giving to him any security or indemnity in respect of money lent by him or obligation undertaken by him for the benefit of the Company; or
- (ii) any contract arrangement or transaction 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 arrangement or transaction by him to subscribe for or under write shares or debentures of the Company; or
- (iv) any contract arrangement or transaction 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 extent and either generally or in respect of any particular contract, arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this article may be ratified by an ordinary resolution of the Company.

Relaxation of
restrictions
on voting

95. 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 Board 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 Board 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 of the terms thereof.

Directors'
remuneration
for profes-
sional
services

96. Any director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor of the Company.

Article numbered
97A included as
per Special
Resolution dated 16.8.1991
(Refer Annexure)

Proceedings
in case of
vacancies

97. 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 these presents, the continuing directors or director may act for the purpose of filling up such vacancies or of summoning general meetings of the Company but not for any other purpose. If there be no directors or director able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.

98. The Directors may from time to time appoint and remove one or more of their body to the office of Managing Director or Manager for such term and at such remuneration, whether by way of salary or commission or participation in profits or partly in one way in or partly in another as they may think fit, and a Director so appointed shall not while holding that office be subject to retirement by rotation or taken into account in determining the rotation or retirement of Directors; but his appointment shall be subject to determination *ipso facto* if he ceases for any cause to be a Director.

Managing
Director or
Manager

99. A resolution in writing signed by all the directors for the time being in Sri Lanka (provided such directors shall not be less than the number required to form a quorum at a meeting of the Directors) shall be as effective as a resolution passed at a meeting of the Board duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors.

Resolution
in writing

100. The Board 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 Board.

Powers to
appoint
Committees

101. 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 Board, so far as same are applicable and are not superseded by any regulations made by the Board under the last preceding article.

Proceedings at
committee
meetings

102. All acts done by any meeting of the Board 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.

Validity of
acts of
Directors
in spite of
some formal
defect

ALTERNATE DIRECTORS

103. (i) Any director (including the Nominee Director but excluding the Appointed Director) who is abroad or about to go abroad or who by reason of his illness is unable to perform his functions as a director may at any time with the approval of the Board by notice in writing left at the office appoint any person approved by the Board to be an alternate director of the Company to act in his place.

Provisions
for appointing
and removing
Alternate
Directors

(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 Board may repay an alternate director who is not a director in his own right such reasonable expenses as he may incur in attending and returning from meetings of the Board 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 notice to be served upon him) be entitled to receive notices of all meetings of the Board 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 including the signing of Resolutions in writing to be passed by circulation under Article 99 hereof. An Alternate Director who is also a director in his own right shall be entitled to one vote in his own right as a director and to an additional vote as an alternate director.

(iv) An Alternate Director may be appointed for a specified period or until the happening of a specified event but he shall *ipso facto* cease to be alternate director in any of the following events, that is to say —

- (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 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 Board resolve that the appointment of the Alternate Director be terminated.

103. (v) A director shall not vote on the question of the approval of an Alternate Director to act for him and if he does so his vote shall not be counted nor shall he be counted in the quorum present at the meeting.

BORROWING POWERS

104. The Board may exercise all the powers of the Company to borrow money, and may mortgage or charge its undertaking, property, and uncalled capital, and issue debentures, debenture-stock, convertible loan stock and other securities, whether outright or as collateral securities 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 —

- (i) any temporary borrowing secured or unsecured from bankers or others in the ordinary course of business to meet temporary requirements; and
- (ii) moneys borrowed with or without security for the purpose of conversion, redemption, renewals or payment off of previously existing debenture, debenture-stock or other loan capital;

shall not without the previous sanction of an ordinary resolution of the Company exceed thrice the total of —

- (a) the nominal amount of the issued and paid-up share capital of the Company for the time being, and
- (b) the amount for the time being standing to the credit of the share Premium 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 the 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.

Existing Article 104 amended as per Special Resolution passed on 10.10.1986 (Refer Annexure)

power to borrow money and give security

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

Bonds, debenture etc to be subject to control of the Board

(ii) Bonds, debentures, convertible debentures, debenture-stock, convertible loan stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Securities may be assignable free from equities

(iii) Any bonds, debentures, convertible debentures, debenture-stock or other securities may be issued at a discount, premium, or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of directors and otherwise.

Issue at discount etc or with special privileges

(iv) All certificates for debentures, convertible debentures debenture-stock, loan stock or other securities issued in terms of these presents shall be issued under the seal of the Company.

GENERAL POWERS OF DIRECTORS

106. The business of the Company shall be managed by the Board either by themselves or with the assistance of agents and or secretaries of the company and upon such terms as they shall think fit. And the Board shall have power to make and may make such rules and regulations for the management of the business and property of the Company as they shall from time to time think proper and shall carry on the business of the company in such manner as they may think most expedient.

Board to manage Company

107. The Board 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 Board which would have been valid if such regulation had not been made; provided however that the Board shall not without the authority of a special resolution of the Company carry into effect or implement any terms arranged for the amalgamation of the Company with any other company.

General powers of the Board

108. (i) The Board may establish and make contribution or concur or join with any other companies in establishing or making contributions out of the Company's moneys to any provident funds, and schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expressions as used in this and the following sub-paragraph shall include any director) and ex-employees of the Company and their widows and dependants and connections, or any class or classes of such persons.

Provident and pension funds

(ii) The Board may (either subject or not subject to any terms or conditions) pay, or enter into agreements to pay, or make grants, or revocable or irrevocable pensions or other benefits to employees and ex-employees and their widows and dependants and connections or to any of such persons including pensions or benefits additional to those (if any) to which they are or may become entitled under any such scheme or fund as is mentioned in the last preceding sub-paragraph. Any such pension or benefit may as the Board consider desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

Signing of cheques etc.

109. 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 Board shall from time to time by resolution determine.

Organisation of subsidiary companies

110. The Board 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 executives 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.

Powers to establish local Boards etc.

111. The Board may establish any Committee of directors or Local Boards or Agencies for managing any of the affairs of the Company either in Sri Lanka or else where, and may appoint any persons to be members of such Local Boards and any Managers or Agents and may fix their remuneration, and may delegate to any such Committee, Local Board, Manager or Agent any of the powers, authorities and discretions vested in the Board, with power but not in the case of any such Committee to sub-delegate, and may authorise the members of any Local Boards, or any of them to fill any vacancies therein, and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit. The Board may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

Power to delegate

112. ~~The Board may entrust to and confer upon a 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.~~

Powers to appoint attorneys

113. The Board may from time to time and at any time by power of attorney under the seal appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the board 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 Board 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 attorneys as the Board 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.

Power to have a seal for use abroad

114. 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 Board.

Power to keep a branch register

115. The Company, or the Board on behalf of the Company, may in the exercise of the powers in that behalf conferred by the statutes cause to be kept a branch register or registers of members and the Board 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.

Existing Article deleted and substituted with new Article as per Special Resolution passed on 16.8.1991

(Refer Annexure)

MINUTES

116. The Board shall cause minutes to be made in books provided for the purpose —

Minutes to be kept

- (a) of all appointments of officers made by the Board;
- (b) of the names of the directors present at each meeting of the Board and of any committees of directors;
- (c) of all resolutions and proceedings at all meetings of the company, of the Board, and of committees of directors;

and every director present at any meeting of the Board or committee of directors shall sign his name in a book to be kept for that purpose.

SECRETARY

117. (i) The Board may from time to time appoint and employ, and at their discretion remove, any individual, firm, company or corporation 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 Board to the Secretary. The Board may also (where they appoint an individual as the secretary) appoint and employ any other person as assistant Secretary.

Secretary

(ii) The Board 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.

SEAL

118. (i) The Board shall provide for the safe custody of the seal and the seal shall only be used by the authority of the Board or of a committee of directors authorised by the Board in that behalf. Subject to the provisions of the 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 instruments 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 or corporation being the secretary, such attestation shall be signified by a director or the Secretary or the duly authorised agent of such company or corporation signing for and on behalf of such company or corporation as secretaries. The sealing shall not be attested by one person in the dual capacity of director and secretary or representative of the secretaries.

Seal

(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 debentures, debenture-stock, loan, or other forms of security (other than 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 transfer 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 duly executed by the Company.

AUTHENTICATION OF DOCUMENTS

Power to
authenticate
documents

119. Any director or the secretary or the assistant secretary (if any) or any person appointed by the Board for the purpose shall have power to authenticate any documents effecting the constitution of the Company (including the memorandum and articles of association, and any resolution passed by the Company or by the Board, and any books, records, documents and accounts relating to the business of the Company, and also to certify copies thereof or extracts therefrom as true copies or extracts. Where any books, records, documents or accounts are elsewhere than at the office, the local manager or other officer of the Company having the custody thereof should be deemed to be a person appointed by the Board as aforesaid.

DIVIDENDS

Payment of
dividends

120. The Company may by ordinary resolution declare dividends, but no dividend shall be payable in excess of the amount recommended by the Board or otherwise than out of profits.

Income from
Investments

121. Any income derived from the investments of the Company or any part thereof may be treated as profits, and dealt with and distributed by way of dividend, without obligation to make provision for any depreciation in the capital value of the investments.

Apportionment
of dividends

122. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Payment of
Interim
dividends

123. If and so far as in the opinion of the Board the profits of the Company justify such payments, the Board may pay the fixed cumulative preferential dividends on any class of shares carrying a fixed cumulative preferential dividend expressed to be payable on fixed dates on the half-yearly or other dates (if any) prescribed for the payment thereof by these presents or by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they think fit.

Share premium
account

124. If the Company shall issue shares at a premium, whether for cash or otherwise, the Board shall transfer a sum equal to the aggregate amount or value of the premia to an account to be called "Share Premium Account" and any account for the time being standing to the credit of such account shall not be applied in the payment of dividends.

Dividends not
to bear
interest

125. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

Deduction of
debts due to
Company

126. The Board may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) authorised by these presents to be deducted therefrom.

Retention of
dividends

127. The Board 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.

128. The Board 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 has become a member in respect of such shares or shall duly transfer the same.

Retention of dividends

129. The payment by the Board of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so forfeited shall then revert to the Company. All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed.

unclaimed dividends

130. The Company in general meeting may upon the recommendation of the Board by ordinary resolution direct payment of any dividend in whole or in part by the distribution of specific assets and in particular of paid-up shares or debentures of the Company or of any other Company or in any one or more of such ways; and the Board shall give effect to such resolution where any difficulty arises in regard to such distribution the Board 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 payment shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all the parties and may vest any such specific assets in trustees as may seem expedient to the Board.

Payment of dividends in specie

131. Any dividends or other moneys payable in cash or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or as otherwise directed in writing by such member or person, or if several persons are registered as joint-holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any of such persons or to such person at such address as such person 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 the person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct, any payment of the cheque or warrant if purporting to be endorsed 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.

Dividends Payable by cheque

132. If several persons are registered as joint-holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

Dividends due to joint-holders

RESERVES

133. The Board may before recommending any dividend set aside out of the profits of the Company such sums as they think proper to one or more reserve funds to meet contingencies, or for equalising dividends, or for special dividends, or for repairing, improving, and maintaining any of the property of the Company, or for such other purpose as the Board shall in their absolute discretion think conducive to the interests of the Company. The Board may invest the sums so set aside upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserve fund into special funds, as they may think fit, and may employ the reserve funds or any part

Power to carry Profit to reserve

Application of reserve

Division of reserve into special funds

Power to carry forward profits

thereof in the business of the Company and that without being bound to keep the same separate from the other assets. The Board may also without placing the same to reserve carry forward any profits which they may think it inconvenient or not prudent to divide.

MEMBERS' INVENTIONS

134. Whenever any shareholder in the Company while a shareholder either obtains any patent for any invention or discovery connected with or likely to be useful in any part of the Company's works or business or shall make or become possessed of any such invention or discovery he shall in the first instance make to the Directors a written offer to sell the same to the Company at the fair value and upon the footing that any difference in regard thereto shall be referred to two arbitrators, one to be appointed by each party in difference, and if the Directors shall either decline such offer, or shall for the space of six months next after such offer shall have been made, neglect to accept the same in writing then such shareholder shall be at liberty forthwith to sell or otherwise deal with his said patent invention, or discovery as he shall think most expedient for his own benefit and in estimating the value of the price to be paid for his own benefit, and in estimating the value of the price to be paid for the same by the Company, the Directors and the arbitrators, or any umpire respectively, may take into consideration how for the person making such invention or discovery has derived assistance from his being connected with or employed by the Company with reference to such invention or discovery, and may make due allowance for such assistance.

CAPITALISATION OF PROFITS AND RESERVES

Power to capitalise profits

135. The Company in general meeting may upon the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of all or 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 Board shall give effect to such resolution.

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

Capitalisation of profits

136. Whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the amount 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 Board 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 Board shall also have power to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the amount resolved to be 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.

REGISTERS

137. The Board 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.

Keeping of registers, etc.

ACCOUNTS

138. The Board shall cause to be kept such books of accounts as are necessary to comply with the provisions of the statutes.

Board to keep proper account

139. The books of accounts shall be kept at the office or at such other place in Sri Lanka as the Board think fit, and shall always be open to the inspection of any of the Directors. No member (other than 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 Board or by ordinary resolution of the Company 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 or any trade secret process used by the Company.

Inspection of books

140. The Board 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.

Presentation of accounts

141. A 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 directors relating thereto and of the Directors' Report, shall not less than seven days before the date of the meeting be sent to every member of and every holder of debentures of the Company and 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.)

Copies of accounts

AUDIT

142. At each annual general meeting the retiring Auditor shall, without any resolution being passed, be deemed to have been re-appointed until the conclusion of the next ensuing annual general meeting unless :—

Appointment of Auditor

- (i) he is not qualified for re-appointment ; or
- (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 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.

Casual vacancies

143. 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.

Validity of acts of Auditor in spite of some formal defect

144. 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.

Auditor's right to receive notices of and attend speak at General Meetings.

145. The auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns him as Auditor.

NOTICES

Service of notices

146. Any notice or document (including a share certificate) may be served by the Company on or sent to any member either personally) or by sending through the post in a prepaid letter addressed to such member at his registered address, or (if his registered address is not within Sri Lanka) to the address if any, within Sri Lanka supplied by him to the Company as his address for the service of notice. Where a notice or other document is served by post, service shall be deemed to be effected at the expiration of forty eight hours after the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.

Service of notices in respect of joint holding

147. In respect of joint holdings all notices shall be given to that one of the joint-holders whose name stands first in the Register of Members and notice so given shall be sufficient notice to all the joint-holders

Service of notices after death or bankruptcy of members

148. A person entitled to a share in consequence of the death or bankruptcy of a member, upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share and upon supplying also an address within Sri Lanka for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy would have been entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the shares. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding that such member be then dead or bankrupt and whether or not the Company has notice of death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint-holder.

Members resident abroad may notify an address within Sri Lanka

149. A member whose registered address is outside Sri Lanka may from time to time notify in writing to the Company an address in Sri Lanka which shall for the purposes of notice be deemed to be his registered address.

Notices on members having no registered address

150. 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.

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.

Existing Article 152. Any notice required to be or which may be given by advertisement deleted and substituted with leading Colombo daily newspaper. substituted with new Article as per Special Resolution passed on 26.08.2005 (Refer Annexure)

Mode of giving notice by advertisement

153. Notwithstanding anything in these presents contained the Board may if they so determine and at the cost and expense of the Company cause any notice or circular to members to be sent by air mail, telex, cable or telegram to the address outside Sri Lanka of all such members of whose address outside Sri Lanka the Company or the Secretary 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 air-mail shall be deemed to have been served at the expiration of seven days after the posting of the same. Nothing in this article contained shall entitle a member who has not registered or supplied an address in Sri Lanka to have notices sent to him of a general meeting.

Notices may be sent to address outside Sri Lanka

WINDING UP

154. (i) If the Company shall be wound up, whether voluntarily or otherwise the liquidator may with the sanction of an Extraordinary Resolution divide among the contributories in specie or kind any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company in trustees, upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction shall think fit.

Distribution of assets in specie

(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 rights or may be excluded altogether or in part, but in case any division other 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 225 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 thereto under such division (to any of the said shares) may within ten days after the passing of the Extraordinary Resolution, by notice in writing direct the liquidator to sell his proportion and pay him the nett 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 other member or with any person firm or Company may become the purchaser of 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

Existing Article 155. Subject to the provisions of the statutes every Director, Manager, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto. deleted and substituted with new Article as per Special Resolution passed on 5.11.2009 (Refer Annexure)

Indemnity of Directors and officers and discharge

SECRECY

Declaration
of Secrecy

156. Every Director, Manager Auditor, Trustee, Secretary, Member of a Committee, Officer, Servant, Agent, Accountant, or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in the matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors or by any meeting or by Court of Law, and except so far as may be necessary in order to comply with the statutes or any of the provisions in these presents contained.

Article numbered 157
included as per
Special Resolution
passed on 5.11.2009
(Refer Annexure)

Annexure

Sections of Articles formerly known as Memorandum of Association amended and or included

- A. "that the name of the Company be changed from "ÉLEPHANT LITE CORPORATION LIMITED" to "LAXAPANA BATTERIES LIMITED."

(SPECIAL RESOLUTION - 26.8.2005)

Increase in Authorized Capital- Special Resolution (2) passed on 16.08.1991

- E. The nominal capital of the Company is Rupees Two Hundred Million (Rs.200,000,000/-) divided into Twenty Million (20,000,000) shares of Rupees Ten (Rs.10/-) each. The shares in the original or increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, return to capital voting or otherwise."

Articles amended, renumbered, included or deleted as per Special Resolutions Adopted

"that the name of the Company be changed from "ÉLEPHANT LITE CORPORATION LIMITED" to "LAXAPANA BATTERIES LIMITED."

(SPECIAL RESOLUTION - 26.8.2005)

4. The capital of the Company is Rupees Two Hundred Million (Rs.200,000,000/-) divided into Twenty Million (20,000,000) shares of Rupees Ten (Rs.10/-) each.

(SPECIAL RESOLUTION 3 - 16.8.1991)

- 12 A (i) All new shares shall unless otherwise authorized by a Special Resolution of the Company (which Resolution may be at the time of their creation or at any time thereafter) be offered to Members in proportion to the Ordinary shares held by them at the time of such offer (or as near thereto as may be, fractions being ignored) and such offer may be at a premium or subject to the provisions of the Statutes at a discount as may have been determined by a special Resolution of the Company. Such offer shall be made by notice in writing specifying the number of shares to which the Member is entitled and limiting a time within which the offer if not accepted will be deemed to have been declined and shall notify to Members that any Member who desires an allotment of shares in excess of his proportion should state in his reply how many excess shares he desires and if all Members do not claim their proportion the unclaimed shares shall be used for satisfying the claims in excess and any shares not required for satisfying such excess unclaimed shall be at the disposal of the Directors.

- (ii) Notwithstanding anything in the preceding Article contained the Directors may at their discretion allot any new shares (unless otherwise provided in any Resolution of the Company relating thereto) or any of them to the Vendor of any property, land, stocks, shares or investments being acquired by the Company in payment in whole or part of the purchase price thereof without offering the shares so allotted to members.

(SPECIAL RESOLUTION 4 - 16.8.1991)

14.

14A. Notwithstanding any provision in these Articles suggesting the contrary, shares quoted in a Licensed 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 compliance with statutory requirements.

14B. Notwithstanding anything to the contrary in these articles, as long as the shares of the entity are quoted in a Licensed Stock Exchange, the Board may register without assuming any liability therefor any transfer of shares which is in accordance with the rules and regulations in force for the time being and from time to time as laid down by such Licensed Stock Exchange and any agency whose primary object is to act as Central Depository for such Exchange.

(SPECIAL RESOLUTION - 26.10.2004)

74. That in Article 74 of the Articles of Association of the Company the words "the Appointed Director need not hold any shares in the Company but" be substituted by the words "The Appointed Director" and the words "the Nominee Director shall not be required to hold any qualification shares in the Company but" wherever they occur be substituted by the words "The Nominee Director."

(SPECIAL RESOLUTION 6 - 16.8.1991)

- 74 "The Development Finance Corporation of Ceylon shall so long as a loan from the Corporation to the Company is outstanding have the right to appoint and remove from time to time, wholtime or non-wholtime one person to be a Director of the Company hereinafter referred to as "Nominee Director". The Nominee Director shall not be required to hold any qualification shares in the Company but shall exercise all the rights of an ordinary Director."

(SPECIAL RESOLUTION 1 - 10.10.1986)

76. No qualification shares shall be required for Directors.

(SPECIAL RESOLUTION 5 - 16.8.1991)

77. "The remuneration of the Directors shall from time to time be determined by the Board of Directors and shall accrue de die in diem. Nothing in this article contained shall prevent the payment by the Board of Directors to a person who holds office as a Director of the Company of any further remuneration for services performed by him by virtue of any other office or position held by him under the Company in conjunction with his directorship, and/or make any provision by way of deferred remuneration or retiring allowances in respect of past services to be paid to them or any of them after they or he shall have ceased to be Directors or a Director."

"Any remuneration payable under this Article shall be in addition to any remuneration to which any of the Directors may be entitled to in respect of any other position held under or employment by the Company."

(SPECIAL RESOLUTION 2 - 10.10.1986)

"97A. The Board may appoint a Chairman and a Deputy Chairman of the Board and may determine the period for which each of them shall hold Office."

(SPECIAL RESOLUTION 7 - 16.8.1991)

BORROWING POWERS

104. "The Board may exercise all the powers of the Company to borrow money and may mortgage or charge its undertaking, property and uncalled capital and issue debentures, debenture-stock, convertible loan stock and other securities whether outright or as collateral securities 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 –

- (i) Any temporary borrowing secured or unsecured from bankers or others in the ordinary course of business to meet temporary requirements; and
- (ii) Money borrowed with or without security for the purpose of conversion, redemption, renewals or payment off of previously existing debenture, debenture-stock or other loan capital;

shall not without the previous sanction of an ordinary resolution of the Company exceed six times the total of –

- (a) The nominal amount of the issued and paid-up share capital of the Company for the time being; and
- (b) the amount for the time being standing to the credit of the share premium 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 the 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."

(SPECIAL RESOLUTION 3 - 10.10.1986)

- 112 (i) The Board of Directors may by resolution delegate either collaterally with or to the exclusion of their powers to any Director or Employee of the Company or any other person or Firm, Company or Corporation any such function or power of the Company or authority on behalf of the Company, as the Board may consider expedient so to delegate for the efficient transaction of the business of the Company and may from time to time revoke such a delegation either wholly or in part and either as to persons or purposes and every such Director, Employee, Person, Firm, Company or Corporation shall in the exercise of the functions or powers delegated to him or them or it conform to all such regulations as are prescribed by the Board.
- (ii) All acts done under the next preceding paragraph by such Director, Employee, person, Firm, Company or Corporation and in fulfillment of the purposes of their or its appointment shall have the like force and effect as if done by the Board.

(SPECIAL RESOLUTION 8 - 16.8.1991)

152. Where Notice is given by an advertisement, such advertisement shall be published in the Sinhala, Tamil and English national daily newspapers."

(SPECIAL RESOLUTION - 26.8.2005)

INDEMNITY & INSURANCE

- 155.(1) The Company may indemnify a Director, Secretary or Secretaries or employee of the Company or a related Company for any costs incurred by him in any proceeding –
- (a) That relates to liability for any act or omission in his capacity as a Director, Secretary or Secretaries or employee; and

- (b) In which judgement is given in his favour or in which he is acquitted or which is discontinued or in which he is granted relief under section 526 of the Act.
- (2) The Company may also indemnify a Director, Secretary or Secretaries or employee of the Company or a related Company in respect of
- (a) liability to any person other than the Company or a related Company for any act or omission in his capacity as a Director, Secretary or Secretaries or employee; or
 - (b) Costs incurred by that Director, Secretary or Secretaries or employee in defending or settling any claim or proceeding relating to any such liability, not being a criminal liability or in the case of a Director, liability in respect of a breach of the duty specified in Section 187 of the Act.
- (3) The Company may with the prior approval of the Directors effect insurance for any one or more of the Directors, Secretary or Secretaries or an employee or employees of the Company of related Company in respect of –
- (a) Liability not being criminal liability, for any act or omission in his capacity as a Director, Secretary or Secretaries or employee;
 - (b) Costs incurred by that Director, Secretary or Secretaries or employee in defending or settling any claim or proceeding relating to any such liability or
 - (c) Costs incurred by that Director, Secretary or Secretaries or employee in defending any criminal proceedings in which he is acquitted.

(SPECIAL RESOLUTION - 05.11.2009)

COMPLIANCE WITH THE RULES OF THE COLOMBO STOCK EXCHANGE AND
THE CENTRAL DEPOSITORY SYSTEMS (PVT) LTD

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

(SPECIAL RESOLUTION - 05.11.2009)