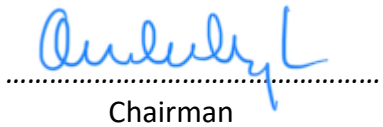
"Resolved that the Articles of Association of the Company be amended by deleting the existing Articles in its entirety and that the Articles of Association contained in the printed document submitted to this meeting which, for purpose of identification, have been signed, page by page, by the Chairman of this meeting, be and the same are hereby approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of the existing Articles of Association of the Company."



Chairman

ARTICLES OF ASSOCIATION

OF

FALCON VALLEY HYDRO LIMITED

1. The Company has adopted the Articles of Association hereinafter set forth to the exclusion of the articles of association set out in the First Schedule to the Companies Act No. 7 of 2007 (hereinafter referred to as "Model Articles") and accordingly the Model Articles shall not apply to the Company.

A. INTERPRETATION

2. In the interpretation of these Articles the following words and expressions shall have the respective meanings given against each such word unless such meanings are inconsistent with or repugnant to the subject or context.

"Articles" means these Articles of Association, as amended from time to time.

"Board" and "Board of Directors" means the directors of the Company who number not less than the required quorum acting together as a board of directors.

"Director" or "Directors" means a director or the directors (as the case may be) for the time being of the Company, including where the context so requires or admits alternate directors,

and the directors assembled at a Board meeting.

"CDS" means Central Depository Systems (Private) Limited.

"dividend" means a distribution out of the profits of the Company.

"in writing" and "written" includes printing and other such modes of representing or reproducing words in a visible form.

"month" means a calendar month.

"registered office" means the registered office for the time being of the Company.

"presence or present" with regard to a shareholder at a meeting means presence or present personally or by proxy or by attorney duly authorised.

"SEC Act" means the Securities and Exchange Commission of Sri Lanka Act No.19 of 2021 including any Regulations, Rules and Directives thereunder.

"Secretary" or "Secretaries" include any individual, firm or company appointed by the Board to perform any of the duties of the Secretary.

"shares" shall mean shares issued by the Company.

"stated capital" means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and of calls on shares.

"the Act" means and includes the Companies Act No. 7 of 2007 and every other Act, Ordinance or other legal enactment from time to time in force governing companies which may apply to the Company.

"the Company" means Falcon Valley Hydro Limited.

"year" means a calendar year.

Subject to the aforewritten words or expressions defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in the Articles.

In the interpretation of these Articles,

(i) words importing the one gender shall include any gender and words importing the singular number only shall include the plural number and vice versa.

(ii) unless otherwise specified, reference to a "person" includes any natural person, individual, company, firm, corporation, partnership, foundation, association, organization, trust or any undertaking (in each case whether or not having separate legal personality).

(iii) reference to a "subsidiary" and "holding company" is to be construed in accordance with the section 529 of the Act.

(iv) a reference to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

(v) unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

(a) any subordinate legislation from time to time made under it; and

(b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

(vi) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

(vii) headings in the Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

B. BUSINESS OF THE COMPANY

3.

(1) Subject to paragraph (2) of this Article 3, the object for which the Company is established is to carry on the business of renewable energy generation and storage and eco-tourism, including the ownership and leasing of land for such activities.

(2) The Company may carry on any business or activity determined and agreed by the shareholders that is not within the objects specified herein and shall not therefore be restricted to carrying on only businesses or activities that are within the objects specified herein.

(3) The objects of the Company shall be subject to the Foreign Exchange Act No.12 of 2017 and Regulations issued thereunder, including the Extraordinary Gazette No. 2213/35 dated 3rd February 2021 and any subsequent amendments or regulations to be passed in relation thereto.

C. SHARES

4. ISSUE OF SHARES

(1) The Board may issue such shares to such persons as it considers appropriate in accordance with section 51 of the Act. If the shares confer rights other than those specified in subsection (2) of section 49 of the Act, or impose any obligation on the holder, the Board shall approve terms of issue which set out the rights and obligations attached to those shares.

(2) The Board shall, before it issues shares, decide the consideration for which the shares shall be issued and shall resolve that in the opinion of the Directors, such consideration is fair and reasonable to the Company and to all existing shareholders.

(3) Where the Company issues shares which rank equally with or above existing shares in relation to voting or distribution rights, those shares shall, unless otherwise approved by the shareholders by special resolution, be offered to the holders of the existing shares in a manner which would, if the offer is accepted, maintain the relative voting and distribution rights of those shareholders.

(4) The said offer shall remain open for acceptance for a reasonable time and, if not expressly accepted within such time, the offer shall be deemed to have been declined by the respective offeree. The Company may, at the time of making the said offer, request holders of the existing shares who desire an allotment of shares in excess of their respective proportions to state how many excess shares each such holder desires and if any holders of existing shares expressly accept the whole of their respective proportions, the shares declined may be allotted to those holders who desire an excess allotment in such numbers as the Directors decide or may be allotted and issued to such other persons as the Directors consider it appropriate.

(5) The Board may, subject to and in accordance with the provisions of the rules and regulations in force for the time being and from time to time, of the Colombo Stock Exchange, if and to the extent applicable to the Company,

(a) issue shares that may result in an increase or decrease of the number of shares issued by the Company pursuant to a decision of the Company to effect a sub division of existing shares into a greater number of or a consolidation and division of shares;
(b) issue shares pursuant to a capitalization of the reserves of the Company or by way of dividends; or
(c) issue shares to persons other than existing shareholders, if approved by the shareholders by special resolution

(6) The provisions of paragraph (3) of this Article shall not apply to an issue of shares under paragraph (5) of this Article.

(7) Any fractions of shares arising from the computation of shares to be issued under a capitalization of reserves, issue of shares by way of dividends, sub division of shares or consolidation of shares may be disregarded in the entirety or be dealt with in any manner as may be deemed appropriate by the Board.

(8) The Company may issue redeemable shares as decided by the Board at the time of each issue, which may be redeemed by the Company at the option of the Company or at the option of the holders of the shares or on a date specified by the Board, for a consideration that is specified by the Board at the time of issue or at a sum to be calculated by reference to a formula or fixed by a suitably qualified person, who is not associated with or interested in the Company, as decided by the Board at the time of issue.

5. CALLS ON SHARES

(1) Where a share imposes any obligation on the holder to pay an amount of money-

(a) on a fixed date, the holder shall pay that amount on that date; or

(b) when called on to do so by the Board. The Board may at any time give written notice to the holder requiring the payment to be made within a specified period of not less than twenty (20) working days, and the payment shall be made in accordance with that notice.

Any amount not paid by the due date shall carry interest at a rate fixed by the Board at AWPLR + 3%, accruing daily. The Board may, at its discretion, waive payment of interest.

(2) Joint holders of a share are jointly and severally liable for any payments to be made under paragraph (1) of this Article.

(3) The Company shall have a first charge or a paramount lien on every share to which paragraph (1) of this Article applies, and on every distribution payable in respect of that share, for all amounts presently due and payable to the Company in respect of that share and to all monies paid in advance of calls thereon.

(4) For the purpose of enforcing such lien, the Company may sell in such manner as the Board thinks fit, any shares on which the Company has a lien, if,

(a) the Company has given written notice of its intention to do so to the shareholder; and

(b) the shareholder has failed to make the payment in respect of which the lien has arisen, within ten (10) working days of the giving of that notice.

Upon any sale for enforcing a lien, the Board may appoint any person to execute an instrument of transfer of the shares sold, whereupon the purchaser shall be registered as the holder of the shares transferred and his title shall not be affected by any irregularity or invalidity in the sale.

(5) The proceeds of a sale under paragraph (4) of this Article shall be received by the Company and applied first in payment of the costs of sale, and then in payment of the amount in respect of which the lien arose. The remainder if any, shall be paid to the person entitled to the shares, at the time of the sale.

6. SHARE REGISTER

(1) The Company shall maintain a share register, which complies with section 123 of the Act. The share register shall be kept at the registered office of the Company or at any other place in Sri Lanka, notice of which has been given to the Registrar in accordance with subsection (4) of section 124 of the Act.

(2) The share register may be divided into two or more registers kept at different places, as may be decided by the Board.

7. SHARE TRANSFER

(1) Where shares are to be transferred, an instrument of transfer in writing shall be executed by or on behalf of the transferor and transferee, or by their legal representative/s and delivered to the Company.

(2) The instrument of transfer may be in the usual or common form or any other form which the Directors may approve.

(3) The Directors may also require an instrument of transfer to:

(a) be accompanied by the certificate of shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and

(b) be in respect of only one class of shares.

(4) The Board may resolve to refuse to register a transfer of a share within six (06) weeks of receipt of the transfer, if any amount payable to the Company in respect of the share is due but unpaid. If the Board resolves to refuse to register a transfer for this reason, it shall give notice of the refusal to the shareholder within one (1) week of the date of the resolution.

The Directors may also decline to register a transfer of a share on which the Company has a lien.

(5) Notwithstanding any provision in the Articles suggesting the contrary, shares, if any, listed on the Colombo Stock Exchange shall be freely transferable and registration of the transfer of such listed shares shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.

(6) Notwithstanding anything to the contrary in the Articles, as long as the shares of the Company are listed on the Colombo 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 the Colombo Stock Exchange and / or by the CDS.

8. TRANSMISSION OF SHARES

(1) Where a joint holder of a share dies, the remaining holder/s shall be treated by the Company as the holder/s of that share. Where the sole holder of a share dies, that shareholders' legal representative shall be the only person recognised by the Company as having any title to or interest in the share, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

(2) Any person who becomes entitled to a share as a consequence of the death, bankruptcy or insolvency or incapacity of a shareholder may be registered as the holder of that shareholder's shares upon making a request in writing to the Company to be so registered, accompanied by proof satisfactory to the Board of that entitlement. The Board may refuse to register a transmission under this Article in the circumstances set out in paragraph (4) of Article 7 above.

9. JOINT SHAREHOLDING

The Company shall not register more than three (3) persons as joint holders (including the principal holder) of any shares (except in the case of executors, administrators or heirs of a deceased member).

10. SHARE CERTIFICATES

(1) Where the Company issues shares or the transfer of any shares is entered on the share register, the Company shall within two (2) months complete and have ready for delivery a share certificate in respect of the shares.

Provided that this requirement shall not apply to shares which are held or required to be held in dematerialized form under the rules, directions or requirements of the Securities and Exchange Commission of Sri Lanka, the Colombo Stock Exchange and CDS. In respect of such dematerialized shares, the Company shall cause the shares to be credited to the relevant shareholder's CDS account in accordance with applicable laws, regulations, and Rules of the Colombo Stock Exchange and CDS, and no physical share certificate shall be issued.

(2) Where a share certificate is defaced, lost or destroyed it may be reissued on payment of the cost of issue or such lesser sum and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company for investigating evidence as the Directors think fit.

11. PURCHASE OF OWN SHARES

The Company may purchase or otherwise acquire any of its own shares in accordance with Section 64 of the Act.

12. SUB-DIVISION AND CONSOLIDATION OF SHARES

(1) The Company may sub divide all of the shares in the Company or all of the shares in a particular class of shares in the Company into a greater number of shares, in proportion to those shares, leaving unaffected the relating voting and distribution rights of holders of those shares, by adopting a procedure that the Board may think appropriate.

(2) The Company may consolidate shares in the Company or the shares in a particular class of shares in the Company into a lesser number of shares, in proportion to those shares, leaving unaffected the relative voting and distribution rights of the holders of those shares, by following a procedure to effect such consolidation as the Board may consider appropriate.

13. RESERVES AND DISTRIBUTIONS

(1) The Company may make distributions to shareholders in accordance with section 56 of the Act. The Board shall be satisfied that the Company shall immediately after the distribution (including an interim dividend) satisfy the solvency test. The Directors who vote in favour of the distribution shall sign a certificate of their opinion to that effect.

(2) Except in the case where a distribution is a final dividend, the approval of the shareholders by an ordinary resolution or otherwise shall not be required before a distribution is made. Notwithstanding any provision to the contrary contained in these Articles, the payment to any shareholder of consideration for a repurchase of shares shall not require the approval of the shareholders by ordinary resolution.

(3) The Company is deemed to have satisfied the solvency test if-

(a) it is able to pay its debts as they become due in the normal course of business; and

(b) the value of its assets is greater than the sum of the value of its liabilities and its stated capital.

(4) The profits of the Company shall be distributable and divisible among the shareholders in proportion to the capital paid or credited as paid on the shares held by them respectively, subject to the following.

(a) the rights of holders of shares issued upon special conditions.

(b) any arrangements that may be made by the Company to the contrary.

(c) shares not fully paid up subject to any special arrangement made as regards money paid in advance of calls.

(d) provisions of these Articles as to reserve fund.

(5) Before the Directors make any distributions, they may set aside, out of the profits of the Company, such sum as they think proper as a reserve fund or funds.

(6) The Board may decide to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve funds/accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly to set free such sum for distribution amongst the shareholders 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 shareholders respectively or paying up in full shares or debentures of the Company to be issued, allotted and distributed credited as fully paid up to and amongst such shareholders in the proportion aforesaid, or partly in the one way and partly in the other.

(7) No shareholder shall be entitled to receive payment of any dividend or any allotment and issue of shares credited as fully paid up in respect of his share or shares whilst any monies may be due or owing from him (whether alone or jointly with any other person) to the Company in respect of such share or shares or otherwise howsoever.

(8) Whenever such a decision as aforesaid shall have been made the Directors shall make all appropriations and applications of the undivided profits to be capitalised and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto.

(9) Subject to the provisions of paragraph (3) of this Article, the Board may authorize a distribution by way of a dividend to be paid to the shareholders according to their rights and interests in the profits and may fix the time for payment. No dividend shall be payable out of the capital of the Company.

(10) Any dividend or interim dividend which may be authorised by the Directors, may be paid by means of cash or by the distribution of specific assets and, in particular, of paid-up shares, debentures or debenture stock of the Company or of any other company or in *specie* or in any one or more of such ways and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any shareholders upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Board.

(11) No dividend shall bear interest against the Company.

(12) The Directors may deduct from the dividend payable to any shareholder all sums of money due from him (whether alone or jointly with any other person) to the Company and notwithstanding such sums shall not be payable until after the date when such dividend is payable. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

(13) Unless otherwise directed any dividend may be paid by bank transfer to a bank account nominated by the shareholder in writing or by cheque or warrant sent by post to the registered address of the shareholders entitled thereto or, in the case of joint-holders, to the registered address of the joint-holder whose name stands first on the register in

respect of the joint-holding; but the Company shall not be liable or responsible for the loss of any such cheque or dividend warrant sent through the post.

(14) All dividends unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for six (6) years after having been declared shall be forfeited and shall revert to the Company.

(15) Every dividend payable in respect of any share held by several persons jointly may be paid to and an effectual receipt given by, any one of such persons.

D. MEETINGS OF SHAREHOLDERS

14. NOTICE OF MEETING OF SHAREHOLDERS

(1) Written notice of the time and place of a meeting of shareholders (including a meeting where it is intended to propose a resolution as a special resolution) shall be given to every shareholder entitled to receive notice of the meeting and to every Director and the auditor of the Company—

(a) not less than fifteen (15) working days (as defined in the Act) before the meeting, if the meeting is an annual general meeting or the meeting is one where it is intended to propose a resolution as a special resolution.

(b) not less than ten (10) working days before the meeting, in any other case.

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

(i) in the case of a meeting called as the annual general meeting, by all the shareholders entitled to attend and vote thereat;
(ii) in the case of any other meeting by the shareholders having a right to attend and vote at the meeting being shareholders together holding shares which carry not less than ninety-five *per centum* (95%) of the voting rights, on each issue to be considered and voted on such meeting.

(2) The notice shall set out—

(a) the nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it; and

(b) the intention, if any, to propose a resolution as a special resolution; and

(c) the text of any resolution to be submitted to the meeting.

(3) An irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such shareholders agree to the waiver.

(4) If a meeting of shareholders is adjourned for less than thirty (30) days, it is not necessary to give notice of the time and place of the adjourned meeting, other than by announcement at the meeting which is adjourned.

(5) Two or more shareholders holding shares which carry not less than ten *per centum* (10%) of the votes which may be cast on a particular issue, may call a meeting to consider and vote on the said issue in accordance with section 134 of the Act.

15. METHOD OF HOLDING MEETINGS

(1) A meeting of shareholders (including a meeting where it is intended to propose a resolution as a special resolution) may be held either—

(a) by a number of shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or

(b) by means of audio, or audio and visual communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

(2) A decision reached by the shareholders by audio and visual communication in accordance with the paragraph 1 (b) of Article 15 shall, upon been reduced to writing by the person appointed to do so at such meeting and is signed by the chairperson of that meeting or by the chairperson of the next succeeding meeting, shall be as valid and effectual as if the same had been passed at a meeting of shareholders held on the day on which and the time at which the meeting was held and at the place where the chairperson was located during the course of the meeting.

16. QUORUM

(1) Subject to paragraph (3) of this Article, no business may be transacted at a meeting of shareholders if a quorum is not present.

(2) A quorum for a meeting of shareholders shall be present if any number of shareholders together holding a majority of the voting rights of the Company are present.

(3) If a quorum is not present within thirty (30) minutes, after the time appointed for the meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Directors may appoint. If at the adjourned meeting, a quorum is not present within thirty (30) minutes after the time appointed for the meeting, the shareholders present or their proxies shall be deemed to form a quorum.

17. CHAIRPERSON

(1) If the Directors have elected a chairperson of the Board, and the chairperson of the Board is present at a meeting of shareholders, he shall chair the meeting.

(2) If no chairperson of the Board has been elected or if at any meeting of shareholders the chairperson of the Board is not present within fifteen (15) minutes of the time appointed for the commencement of the meeting or is unwilling to act, the Director present shall elect one of their number to be the chairperson of the meeting.

(3) Where at any meeting, no Director is willing to act as chairperson or where no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the shareholders present may choose one of their number to be chairperson of the meeting.

18. VOTING

(1) In the case of a meeting of shareholders held under paragraph (a) of Article 15, unless a poll is demanded, voting at the meeting shall be by whichever of the following methods as determined by the chairperson of the meeting—

(a) voting by voice; or

(b) voting by a show of hands.

(2) In the case of a meeting of shareholders held under paragraph (b) of Article 15, unless a poll is demanded, voting shall be by shareholders signifying individually their assent or dissent by voice or any other method of expression as may be used in the context of and allowed by the electronic platform and/or application used by the Company to conduct such meeting.

(3) A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact, unless a poll is demanded in accordance with paragraph (4) of this Article.

(4) At a meeting of shareholders, a poll may be demanded by —

(a) the chairperson; or

(b) not less than five (5) shareholders having the right to vote at the meeting; or

(c) a shareholder or shareholders representing not less than ten *per centum* (10%) of the total voting rights of all shareholders having the right to vote at the meeting.

(5) A poll may be demanded either before or after the vote is taken on a resolution by any method other than a poll.

(6) If a poll is taken, votes shall be counted according to the votes attached to the shares of each shareholder present and voting.

(7) The chairperson of a shareholders' meeting is not entitled to a casting vote.

19. PROXIES

(1) A shareholder may exercise the right to vote either by being present in person or by proxy.

(2) A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.

(3) A proxy shall be appointed by notice in writing signed by the shareholder. The notice shall state whether the appointment is for a particular meeting, or for a specified term.

(4) No proxy is effective in relation to a meeting, unless a copy of the notice of appointment is given to the Company not less than forty-eight (48) hours before the start of the meeting.

(5) An instrument of proxy shall be in the following form or a form as near thereto as circumstances permits:-

"FALCON VALLEY HYDRO LIMITED"

"I/We …… of ……..……. being a shareholder/shareholders of Falcon Valley Hydro Limited hereby appoint ……..…….. of ……..……. or failing him …….. of …….. as my/our proxy to vote for me/us on my/our behalf for/or against the resolution and/or to speak at the (Annual or Extraordinary as the case may be) General Meeting of the Company to be held on the …… day of ……., 20…. and at any adjournment thereof.

Signed this …… day of ……. 20 ……."

20. MINUTES

(1) The Board shall ensure that minutes are kept of all proceedings at meetings of shareholders.

(2) Minutes which have been signed as correct by the chairperson of the meeting or by the chairperson of the next succeeding meeting who was a Director present at the earlier meeting are *prima facie* evidence of the proceedings.

21. CORPORATIONS MAY ACT BY REPRESENTATIVES

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

22. VOTES OF JOINT HOLDERS

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

23. LOSS OF VOTING RIGHTS IF CALLS UNPAID

If a sum due to the Company in respect of a share has not been paid, the holder of said share shall not vote in relation to that share at a shareholders' meeting other than a meeting of an interest group (as defined in the Act).

24. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS OF SHAREHOLDERS

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

(a) once in each calendar year;

(b) not later than six (6) months after the balance sheet date of the Company; and

(c) not later than fifteen (15) months after the previous annual general meeting.

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

(2) An extraordinary general meeting of shareholders entitled to vote on an issue may be called at any time by the Board, and shall be called by the Board on the written request of shareholders holding shares, carrying not less than ten *per centum* (10%) of votes which may be cast on that issue.

(3) A resolution in writing (whether ordinary or special other than a resolution requiring special notice in terms of the Act) signed by such number of shareholders whose total shareholding is not less than eighty-five *per centum* (85%) of the total issued and paid up capital of the Company, carrying the right of voting, expressly consenting or dissenting thereto, is as valid as if it had been passed at a meeting of those shareholders. The Company need not hold an annual general meeting if everything required to be done at the meeting (by resolution or otherwise) is done by resolution and is in accordance with this Article. An expression by any shareholder of consent or dissent to a resolution by means of communication by telefax or facsimile transceiver shall be deemed for all purposes to be equivalent to such shareholder signing a resolution for the purpose of this Article.

(4) Within five (5) working days of a resolution being passed under paragraph (3) of this Article the Company shall send a copy of the resolution to every shareholder who did not sign it.

(5) A resolution may be passed under paragraph (3) of this Article without any prior notice being given to shareholders.

25. VOTING IN INTEREST GROUPS

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

26. SHAREHOLDERS ENTITLED TO RECEIVE DISTRIBUTIONS, EXERCISE PRE-EMPTIVE RIGHTS AND ATTEND AND VOTE AT MEETINGS.

(1) The shareholders who are entitled to receive notice of a meeting of shareholders for any purpose shall be-

(a) if the Board fixes a date for such purpose, those shareholders who are registered in the share register on that date.
(b) if the Board does not fix a date for such purpose, those shareholders whose names are registered in the share register at the close of business on the day immediately preceding the day on which notice is given.

(2) A date fixed under paragraph (1) of this Article should not precede by more than thirty (30) working days, the date on which the meeting is to be held.

E. DIRECTORS

27. APPOINTMENT AND REMOVAL OF DIRECTORS

(1) Unless otherwise determined by a special resolution of the shareholders of the Company, the number of Directors shall not be less than two (2).

(2) The Directors shall have the power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with paragraph (1) of this Article.

(3) A Director may be appointed or removed by ordinary resolution passed at a meeting called for the purpose or by a written resolution in accordance with paragraph (3) of Article 24. The shareholders may only vote on a resolution to appoint a Director if-

(a) the resolution is for the appointment of one (1) Director; or
(b) the resolution is a single resolution for the appointment of two (2) or more persons as Directors, and a separate resolution that it be so voted on has first been passed without a vote being cast against it.

(4) A Director may resign by delivering a signed written notice of resignation to the registered office of the Company. Subject to section 208 of the Act, the notice is effective when it is received at the registered office or at any later time specified in the notice.

(5) The office of a Director shall be, *ipso facto*, vacated in the instances specified in the Act or if—

(a) he resigns from the office of Director in accordance with paragraph (4) of this Article.

(b) he is removed from office in accordance with these Articles.

(c) all the other Director request the Director, in writing, to resign from office.

(d) the Director is absent from three (3) consecutive meetings of the Board, without special leave of absence and the Board resolves that his office is vacated.

(e) he dies.

(f) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that the person has become physically or mentally incapable of acting as a Director and may remain so for more than three (3) months and the other Directors resolve that his office be vacated.

(g) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any power or rights which that person would otherwise have, the shareholders have resolved by ordinary resolution that that person should cease to be a Director.

(h) he is convicted of fraud or otherwise has been gross negligently in the performance of its obligations towards the Company.

(i) he is convicted of a criminal offence (other than minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director.

(6) The continuing Directors may act notwithstanding any vacancy in the Board, but so that if the number of Directors falls below the minimum above fixed, the remaining Directors or Director shall act only for the purpose of appointing a Director or Directors to fill one or more of the vacancies.

28. ALTERNATE DIRECTORS

(1) A Director may, if he is unable to attend to his duties as a Director, by notice in writing under his hand and with the approval of the Board, appoint any person to be an alternate Director of the Company to act for him in his absence for a period as may be determined by such Director. Such alternate Director shall-

(a) be entitled to receive notices of all meetings of Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and to exercise (in addition to his own right of voting as a Director) the rights of the appointer at meetings of the Board; and

(b) not be entitled in respect of such appointment, to receive any remuneration from the Company nor be required to hold any share qualification but the Directors may repay the alternate Director such reasonable expenses that he may incur in attending to his business as an alternate Director.

(2) A Director may by notice in writing under his hand at any time remove the alternate Director and appoint another person as his alternate Director.

(3) The office of an alternate Director shall be *ipso facto* vacates;

(a) when the period for which the alternative Director is appointed lapses; or
(b) when the alternative Director's is removed in terms of the paragraph (2) of this Articles; or
(c) on the death of the alternative Director; or
(d) when the alternative Director tender his resignation form the office of alternative Director to the Company.
(e) on any ground specified in paragraph (5) of Article 27.

.

29. POWERS AND DUTIES OF DIRECTORS

(1) Subject to section 185 of the Act which relates to major transactions, the business and affairs of the Company shall be managed by or under the direction or supervision of the Board. The Board shall have all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company.

(2) The Board may delegate to a committee of Directors or to any person it deems fit, any of its powers which it is permitted to delegate under section 186 of the Act.

(3) The committees to which the Board delegates any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors and the provisions of these Articles which apply to the proceedings of the Board shall apply *mutatis mutandis* to the proceedings of any such committee. The Board may make rules of procedure for all or any committees, which shall not prevail over rules derived from these Articles if they are not consistent with them.

(3) The Directors have the duties set out in the Act, and in particular—

(a) each Director shall act in good faith and in what he believes to be the best interest of the Company;

(b) no Director shall act or agree to the Company to act, in a manner that contravenes any provisions of the Act or these Articles.

30. METHOD OF CONTRACTING

(1) The Directors and such other officers of the Company as are authorised by the Board may enter into a contract or other enforceable obligation (including an obligation if entered into by a natural person is required by law to be in writing signed by that person and be notarially attested) on behalf of the Company, as stipulated in the Act.

(2) Such a contract or other enforceable obligation may be entered into on behalf of the Company by the affixing of its common seal in the presence of two (2) or more Directors, or of one (1) Director and the Secretary or Secretaries who shall attest the sealing thereof: such attestation on the part of the Secretaries, in the event of a firm or registered company being the Secretaries being signified by a partner or duly authorised manager, director, secretary, attorney or agent of the said firm or company signing for and on behalf of the said firm or company as such Secretaries. The common seal of the Company shall not be affixed other than in the manner set out herein.

31. ATTORNEY

The Company may, from time to time, and at any time, by power of attorney executed as set out in Article 30 appoint any person or persons to be the attorney/s of the Company for such purposes and with such powers, authorities and discretions and for such periods and subject to such conditions as the Company may prescribe from time to time.

32. DISCLOSURE OF INTEREST IN CONTRACTS

(1) A Director who is interested in a transaction to which the Company is a party shall disclose that interest in accordance with section 192 of the Act.

(2) Subject to paragraph (3) of this Article, a Director is interested in a transaction to which the Company is a party, if, and only if, the Director—

(a) is a party to or will or may derive a material financial benefit from the transaction;

(b) has a material financial interest in another party to the transaction;

(c) is a Director, officer or trustee of another party to, or person who will or may derive a material financial benefit from the transaction, not being a party or person that is—
(i) the Company's holding company, being a holding company of which the Company is a wholly-owned subsidiary;
(ii) a wholly-owned subsidiary of the Company; or

(iii) a wholly-owned subsidiary of a holding company of which the Company is also a wholly-owned subsidiary;

(d) is the parent, child or spouse of another party to or person who will or may derive a material financial benefit from the transaction; or

(e) is otherwise directly or indirectly materially interested in the transaction.

(3) A Director is not interested in a transaction to which the Company is a party, if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part, under a guarantee, indemnity or by the deposit of a security.

(4) Paragraph (2) of this Article does not apply to any remuneration or other benefit given to a Director in accordance with section 216 of the Act, or, to any insurance or indemnity provided in accordance with section 218 of the Act.

(5) A Director who is interested in a transaction entered into or to be entered into by the Company, may, upon due disclosure of his interest—

(a) vote on a matter relating to a transaction;

(b) attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum;

(c) sign a document relating to the transaction on behalf of the Company;

(d) do any other thing in his capacity as a director in relation to that transaction.

33. DISCLOSURE OF DEALINGS IN SHARES

A Director shall disclose all dealings in shares of the Company in which he has a relevant interest, in accordance with sections 198, 199 and 200 of the Act.

34. CONFIDENTIAL INFORMATION

(1) A Director who has information in his capacity as a director or employee of the Company which would not otherwise be available to him, shall not disclose that information to any person or make use of or act on the information, except—

(a) for the purposes of the Company;

(b) as required by law; or

(c) in accordance with paragraph (2) of this Article.

(2) A Director may disclose, make use of or act on information if—

(a) the Director is first authorized to do so by the Board under paragraph (3) of this Article; and

(b) particulars of the authorization are entered in the interests register.

(3) The Board may authorize a Director to disclose, make use of or act on information, if it is satisfied that to do so will not be likely to prejudice the Company.

35. REMUNERATION OF DIRECTORS

(1) The Board may approve;

(a) the payment of any remuneration and/or other benefits by the Company to a Director for services as a Director or for services rendered to the Company in any other capacity.

(b) payment to a Director of any further remuneration for services performed by him by virtue of any other office or position held by him in conjunction with his directorship.

(c) the payment by the Company to a Director or a former Director of compensation for loss of office.

(d) the entering into of a contract to do any of the above,

if the Board is satisfied that to do so is fair to the Company.

(2) The Company may by ordinary resolution of shareholders also vote extra remuneration to the Directors or to any Director.

(3) The Directors shall also be entitled to be repaid all traveling, hotel or other expenses properly incurred by them in or with a view to the performance of their duties including attendance at Board meetings, at committees of Directors and at general meetings.

36. PROCEDURE AT MEETING OF DIRECTORS

(1) Articles 36 to 42 sets out the procedure to be followed at meetings of Directors.

(2) The Directors may meet together for the conduct of business adjourn and otherwise regulate their meetings as they think fit.

37. CHAIRPERSON

(1) The Directors may elect one of their number to be the chairperson of the Board and may determine the period for which the chairperson is to hold office.

(2) If no chairperson is elected or if at a meeting of the Board the chairperson is not present within five (5) minutes after the time appointed for the commencement of the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

38. NOTICE OF MEETING

(1) A Director, the Secretary or if requested by a Director to do so, an employee of the Company, may convene a meeting of the Board by giving notice in accordance with this Article.

(2) Not less than seven (7) days' notice of a meeting of the Board must be given to every Director who is in Sri Lanka. The Board may decide, from time to time, the time period for notice of meetings of the Board and the manner in which such notice is to be given to the Directors. The notice of a meeting of the Board may be given by electronic mail.

(3) An irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all Directors entitled to receive notice of the meeting agree to the waiver.

39. METHODS OF HOLDING MEETINGS

A meeting of the Board may be held either—

(a) by a number of the Directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or

(b) by means of audio or audio and visual communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

40. QUORUM

(1) The Directors may fix the quorum necessary for the transaction of the business of the Directors and unless so fixed shall be a majority of the Directors on the Board.

(2) No business may be transacted at a meeting of Directors if a quorum is not present.

41. VOTING

(1) Every Director has one (1) vote.

(2) The chairperson has a casting vote in the event of an equality of votes.

(3) A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it.

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

42. MINUTES

(1) The Board shall ensure that minutes are kept of all proceedings at meetings of the Board.

(2) Minutes which have been signed by the chairperson of the meeting or by the chairperson of the next succeeding meeting who was a director present at the earlier meeting are *prima facie* evidence of the proceedings.

43. UNANIMOUS RESOLUTIONS

(1) A resolution in writing signed or assented to by all Directors entitled to receive notice of a Board meeting, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held. An expression by any Director of consent or dissent to a resolution by means of communication by telefax or facsimile transceiver shall be deemed for all purposes to be equivalent to such Director signing a resolution for the purpose of this Article.

(2) Notwithstanding anything in the paragraph (1) of this Article, if any Director is, for the time being, out of Sri Lanka, it shall be sufficient for such Director's assent on a resolution in writing to be expressed by or reflected in an electronic mail sent (through a designated electronic mail account notified in writing to the Company) to all other Directors and the Secretary and the placement of his physical signature on the resolution shall not be necessary.

(3) Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form; each signed or assented to by one or more Directors.

(4) A copy of any such resolution (together with copies of any electronic mail referred to in above) shall be entered in the minute book of Board proceedings.

(5) A resolution assented to at a meeting by all Directors entitled to receive notice of a Board meeting, held by means of audio, or audio and visual communication by which all Directors participating and constituting a quorum, can simultaneously hear each other throughout the meeting, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held.

44. MANAGING DIRECTOR AND OTHER EXECUTIVE DIRECTORS

(1) The Board may from time to time appoint a Director as Managing Director for such period and on such terms as it thinks fit.

(2) Subject to the terms of a Managing Director's appointment, the Board may at any time cancel an appointment of a Director as Managing Director.

(3) A Director who holds office as Managing Director ceases to hold office as Managing Director, if he ceases to be a Director of the Company.

(4) The Managing Director shall be paid such remuneration as may be agreed between him and the Board. His remuneration may be by way of salary, commission, participation in profits or any combination of these methods or any other method of fixing remuneration.

(5) The Board may delegate to the Managing Director, subject to any conditions or restrictions which they consider appropriate, any of their powers which may be lawfully delegated. Any such delegation may at any time be withdrawn or varied by the Board. The delegation of a power of the Board to the Managing Director does not prevent the exercise of the power by the Board, unless the terms of the delegation expressly provide otherwise.

(6) A Director other than the Managing Director who is employed by the Company shall be paid such remuneration as may be agreed to between him and the Board. His remuneration may be by way of salary, commission, participation in profits or any combination of these methods or any other method of fixing remuneration.

F. ACCOUNTS AND AUDIT

45. ACCOUNTING RECORDS, FINANCIAL STATEMENTS AND AUDITS ETC.

(1) The Board shall ensure that the Company keeps accounting records which —

(a) correctly record and explain the Company's transactions, including all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place and all sales and purchases of goods made by the Company;

(b) shall at any time enable the financial position of the Company to be determined with reasonable accuracy;

(c) shall enable the Board to prepare financial statements in accordance with the Act; and

(d) shall enable the financial statements of the Company to be readily and properly audited.

(2) The accounting records shall comply with subsection (2) of section 148 of the Act.

(3) The Board shall ensure that within six (6) months after the balance sheet date of the Company, financial statements which comply with section 151 of the Act (and if applicable, group financial statements which comply with section 153 of the Act) are completed in relation to that balance sheet date and are dated and signed on behalf of the Board by two (2) Directors.

(4) At every annual meeting, the Company shall appoint an auditor for the following year in accordance with section 154 of the Act. An auditor who is appointed at an annual general meeting is deemed to be reappointed at the following annual general meeting, unless —

(a) he is not qualified for re-appointment;

(b) the Company resolves at that meeting to appoint another person in his place; or

(c) the auditor has given notice to the Company that he does not wish to be re-appointed.

(5) The Board may fill the casual vacancy of the office of the auditor of the Company.

(6) The Board shall within six (6) months after the balance sheet date of the Company, prepare an annual report on the affairs of the Company during the accounting period ending on that date which complies with section 166 of the Act. The Board shall send a copy of the annual report to every shareholder not less than fifteen (15) working days before the date fixed for holding the annual general meeting of shareholders.

G. LIQUIDATION

46. GENERAL MEETING TO FILL VACANCY IN THE OFFICE OF LIQUIDATOR

A general meeting of the Company may be convened by any contributory or by the continuing liquidators, as the case maybe, in terms of the Act by giving notice in the manner set out herein for convening an extraordinary general meeting.

47. DISTRIBUTION OF SURPLUS ASSETS

(1) The surplus assets of the Company available for distribution to shareholders after all creditors of the Company have been paid, shall be distributed in proportion to the number of shares held by each shareholder, subject to the terms of issue of any shares.

(2) The liquidator may with the approval of a special resolution, divide the surplus assets of the Company among the shareholders in kind. For this purpose, he may set such value as he considers fair on any property to be divided, and may determine how the division will be carried out as between the shareholders or different classes of shareholders.

48. PUBLIC COMPANY AND LIABILITY OF SHAREHOLDERS

The Company is a limited company within the meaning of the Act. The liability of any holder of shares issued by the Company to contribute to the assets of the Company is limited to the consideration paid or payable for the issue of shares held by such holder.

H. MISCELLANEOUS

49. DOCUMENTS TO BE KEPT BY THE COMPANY

(1) The Company shall keep at its registered office or at some other place notice of which has been given to the Registrar General of Companies in accordance with subsection (4) of section 116 of the Act, the following documents: —

(a) the certificate of incorporation and the Articles of the Company;
(b) minutes of all meetings and resolutions of shareholders within the last ten (10) years;
(c) an interests register;
(d) minutes of all meetings and resolutions of Directors and Directors' committees within the last ten (10) years;
(e) certificates given by Directors under the Act within the last ten (10) years;
(f) the register of Directors and Secretaries required to be kept under section 223 of the Act;
(g) copies of all written communication to all shareholders or all holders of the same class of shares during the last ten (10) years, including annual reports prepared under paragraph (6) of Article 45;
(h) copies of all financial statements and group financial statements required to be completed under the Act for the last ten (10) completed accounting periods of the Company;
(i) the copies of instruments creating or evidencing charges and the register of charges required to be kept under sections 109 and 110 of the Act;
(j) the share register required to be kept under section 123 of the Act; and
(k) the accounting records required by section 148 of the Act for the current accounting period and for the last ten completed accounting periods of the Company.

(2) The references in paragraph (1) of this Article to "ten years" and to "ten completed accounting periods" shall include such lesser periods as the Registrar General of Companies may approve, by notice in writing to the Company.

50. RIGHTS OF DIRECTORS AND SHAREHOLDERS TO DOCUMENTS ETC.

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

(2) A shareholder of the Company is entitled—

(a) to inspect the documents referred to in section 119 of the Act, in the manner specified in section 121 of the Act; and

(b) to require copies of or extracts from any document which he may inspect, within five (5) working days of making a request in writing for the copy or extract, on payment of any reasonable copying and administration fee determined by the Company. The fee may be determined by any Director or by the Secretary, subject to any directions from the Board.

51. CLOSING OF REGISTERS

(1) The Company may close the share register in the manner set out in section 127 of the Act.

(2) Subject to the provisions of any debentures or in the event of debenture stock, in any stock certificates or in any trust deed or any other documents securing the debentures or debenture stock, the Company may after notice published in the *Gazette* and in any newspaper circulating in the district in which the registered office of the Company is situated and in which the register of holders of debentures is kept, close the register of holders of debentures for any time or times not exceeding in the whole thirty (30) working days.

52. NOTICES

(1) Where the Company is required to send any notice, financial statement, report or any other document to a shareholder, it shall be sufficient for the Company to send the notice, financial statement, report of other document by ordinary post or courier to the registered address of the shareholder or by electronic mail to an electronic address designated by the shareholder in writing to the Company. Any notice, financial statement report, or other document sent by courier or post is deemed to have been received by the shareholder within three (3) working days of the posting of a properly addressed and letter containing the notice, financial statement report, or other document. Where electronic mail is used, notice, financial statement report, or other document shall be deemed to have received by the shareholder upon the dispatch of the same by the Company through electronic mail.

(2) A shareholder whose registered address is outside Sri Lanka may give notice to the Company of an address in Sri Lanka to which all documents and notices are to be sent, and the Company shall treat that address as the registered address of the shareholder for all purposes.

(3) A document may be sent or notice given by the Company to the joint holders of a share, by giving the notice to the holder first named on the share register in respect of the share.

(4) Where a shareholder has died or has become bankrupt or insolvent, the Company may continue to send all notices and documents in respect of his shares addressed to him at his registered address, notwithstanding that some other person has by reason of the death, bankruptcy or insolvency, become entitled to those shares, or may send any notice or document to an address to which that other person requests the Company to send such notices.

(5) Any notice required to be given by the Company to the shareholders or any of them and not expressly provided for by these Articles shall be sufficiently given if given by way of a public notice in terms of section 529 (4) of the Act.

(6) Where notice is to be given by advertisement, such advertisement shall be published in Sinhala, Tamil and English national daily newspapers.

(7) A copy of every notice or document sent to all shareholders shall be sent to every Director and to the auditor of the Company.

53. INSURANCE AND INDEMNITY

(1) The Company may indemnify a Director or employee of the Company or a related company in circumstances specified in subsections (2) and (3) of section 218 of the Act.

(2) The Company may effect insurance for a Director or employee of the Company or a related company in the circumstances specified in subsection (4) of section 218 of the Act, with the prior approval of the Board.

For the purposes of this Article, the term 'Director" includes a former director and the term 'employee' includes a former employee.

54. COMPLIANCE WITH THE RULES OF THE COLOMBO STOCK EXCHANGE AND THE CENTRAL DEPOSITORY

Notwithstanding anything to the contrary contained in the Articles, as long as the Company is listed on the Colombo Stock Exchange, the Company shall comply with the provisions of the SEC Act, the Rules of the Colombo Stock Exchange and the CDS, which shall be in force from time to time.