

**ARTICLES OF ASSOCIATION  
OF  
TRANSPARENCY INTERNATIONAL SRI LANKA**

(with amendments upto 30.07.2021)

1. The name of the Organization is “TRANSPARENCY INTERNATIONAL SRI LANKA”.
2. The Registered Office of the Organization will be situated in the District of Colombo.

**A. OBJECTS**

3. The objects for which the Organization is established are :-
  - (i) To encourage the growth of democratic concepts, practices and good governance in Sri Lanka.
  - (ii) To promote accountability and eradication of corruption in all public institutions, departments and other spheres of government and private sector.
  - (iii) To take steps to promote and bring about transparency and integrity in public life, governments and undertakings and national and multinational trade and industry and work towards the eradication of corruption from all spheres of life in Sri Lanka.
  - (iv) To co-operate with other organizations and like minded bodies interested in fighting corruption and to support governmental and other efforts in this regard remaining independent of government and any political party.
  - (v) To highlight, educate and inform the public about the effects of corruption and to encourage the public to play an active role to ensure ethical and transparent governance.
  - (vi) To lobby, encourage and work for suitable changes in laws, systems and procedures to ensure transparency and accountability in governmental functioning and dealing in respect of public procurement.
  - (vii) To share knowledge and experience nationally and internationally regarding the containment and eradication of corruption.
4. The income and property of the Organization whensoever derived shall be applied solely towards the promotion of the objects of the Organization as set forth in these Articles of Association, and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever or by way of profit, to the members, directors or the Organization.

Provided that nothing herein in shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Organization, or to any member of the Organization, in return for any services actually rendered to the Organization; but so that no director of the Organization shall be appointed to any salaried office of the Organization or any office of the Organization paid by fees, and that no remuneration or other benefit in money or money's worth shall be given by the Organization to any member of such board of directors, except reimbursement of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent premises demised or lent to the Organization; provided that the provision last aforesaid shall not apply to any payment to any company of which a member of the board of directors may be a member, and in which such member shall not hold more than one hundredth part of the capital, and such member shall not be bound to account for any share of profits he may receive in respect of any such payment.

5. No addition, alteration or amendment shall be made to or in the provisions contained in the Articles of Association for the time being in force, unless the same shall have previously been submitted to and approved by the Registrar of Companies.
6. The fourth and fifth paragraphs of these Articles of Association contain conditions to which a licence granted by the Registrar of Companies in pursuance of Section 34(1)(a) of the Companies Act No. 07 of 2007 is subject.
7. The liability of the members is limited.

8. Every member of the Organization undertakes to contribute to the assets of the Organization in the event of it being wound up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the Organization contracted before he ceases to be member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding Rupees One Thousand.
9. If upon the winding up or dissolution of the Organization there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Organization, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Organization, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Organization under or by virtue of Article 4 hereof, such institution or institutions to be determined by the members of the Organization at or before the time of dissolution, and if and so far as effect cannot be given to such provisions, then to some charitable object.
10. The Organization is established for the purposes expressed in these Articles of Association. The Organization shall function as a non profit organization committed to utilize all the resources generated or received by it solely for the objects as set out above. No portion of the income or property aforesaid shall be paid, transferred or distributed directly or indirectly, by way of profit, dividend or otherwise to anyone and in particular to any person or persons who at any time are or have been members or officers of the Organization or to any person claiming through any one or more of them. Provided however that the Organization may employ any personnel and obtain services of any other persons and make necessary payments including remuneration for services rendered to it and may reimburse expenses incurred for purposes of the association and its administration and/or to meet its objective.
11. The Organization shall not participate or intervene or intercede in any political campaign on behalf of any political candidate for any public or political office or otherwise in any manner whatsoever.

**B. MEMBERS**

12. *The number of members with which the Organization was formed is seven (7) and the board of directors may from time to time register an increase of members. The maximum number of members shall be One Hundred (100). [Amended on 29.06.2018]*
13. The subscribers to the Articles of Association and such other persons, as the directors shall admit to membership shall be members of the Organization. Membership in the Organization is open to individuals and Sri Lankan Non Governmental Organizations, Chambers of Commerce and Industries, Professional Associations and other institutions committed to the core values of the Organization as stated in these Articles of Association.
14. All applications for membership shall be submitted in the form and manner as may be prescribed by the Board. The Board may admit any applicant if satisfied that the applicant satisfies the criteria required for membership. The board shall have the sole discretion in the admission of members. The Board shall make rules and regulations including applicable membership subscriptions from time to time.
15. In addition to the members referred to above who shall be members as per the Companies Act, the following categories of members may also be created and shall not in any event be construed as members as per the Companies Act and shall have no rights under these Articles of Association.

1	Associate Members	Open to present and past employees of the Organization.
2	Student Members	Open to students who have completed the GCE (Ordinary Level) exams and undergraduates.
3	Corporate Members	Open to individuals and organizations – Government, Non Governmental Organizations, Non-profit Companies, Corporate Sector.

4	Integrity and Anti-Corruption Mentors	By invitation. Experienced senior persons of high integrity who will perform the role of coaching others and also acting as mentors for student members and any others. The Organization shall provide a mandatory and follow-up training, certify and monitor them.
5	Advisors (Advisory Council)	By invitation. Persons of high professional standing representing different professional backgrounds – economics, financial, public procurement, research, politics and governance, diplomatic services, security, media, academia, professional bodies, diaspora, non-Sri Lankan experts.
6	Integrity Ambassadors	By invitation for a maximum of two years. To be identified based on exemplary acts of courage. All National Integrity Awards winners to be included. Provide induction training, identified from the regions and sectors to be networked with the Organization's program work.
7	Youth Ambassadors	Open to young persons. To be identified based on exemplary acts of courage. Provide induction training, identified from the regions and sectors to be networked with the Organization's program work.

The following shall be applicable to the seven categories of members referred to above:

- (i) All categories shall be admitted on a symbolic or substantive membership fee for each category as decided by the Board of Directors.
- (ii) The integrity of all applicants shall be checked by the Organization prior to admittance to membership.
- (iii) Each category shall have clear terms of reference defining their role, quality criteria, rights and responsibilities as well as the Organization's support to ensure a strong relationship/partnership.

#### *Termination of Membership*

16. Membership in the Organization shall cease in the following events:
  - (a) Such member defaults in the payment of applicable subscriptions or any other fees required in terms of the rules made hereunder;
  - (b) Such member becomes an office bearer of any political party or its front organizations;
  - (c) Such member is convicted in a court of law for any offence involving moral turpitude;
  - (d) Such member does anything prejudicial to the aims and objects of the Organization or brings disrepute to the Organization;
  - (e) When the continuation of such membership would hinder or endanger the harmonious development and progress of the Organization;
  - (f) Such member relinquishes membership by tendering a letter to such effect to the Board;
  - (g) When a member becomes a Director or joins the staff of the Organization.
17. Provided further that the Members may decide by a two thirds majority to expel any member from the Organization if the continuation of such person's membership would undermine the credibility and effectiveness of the Organization.
18. The decision of the Board regarding admission and termination of membership shall be final and binding.

#### *General Meetings*

19. The Organization shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen (15) months shall elapse between the date of one annual general meeting of the Organization and that of the next. The annual general meetings shall be held at such time and place as the Board shall appoint.
20. All general meetings other than annual general meetings shall be called extraordinary general meetings.

21. *Notice of general meetings*

- (1) Written notice at least by email of the time and place of a meeting of members must be given to every member entitled to receive notice of the meeting and to every director and the auditor of the Organization—
  - (a) at the least fifteen working days before the meeting (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) if it is intended to propose a resolution as a special resolution at the meeting;
  - (b) not less than ten working days before the meeting, in any other case.
- (2) The notice must set out—
  - (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a member to form a reasoned judgment in relation to it; and
  - (b) the text of any resolution to be submitted to the meeting.
- (3) An irregularity in a notice of a meeting is waived;
  - (a) in the case of an annual general meeting, if all the members entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such members agree to the waiver; and
  - (b) in the case of any other meeting, by a majority of the members.
- (4) If a meeting of members is adjourned for less than thirty 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.

22. *Methods of holding meetings*

A meeting of members may be held either—

- (a) by a number of members 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 members participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

23. *Quorum*

- (1) Subject to paragraph (3) of this article, no business may be transacted at a meeting of members if a quorum is not present.
- (2) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, seven members, shall be a quorum. The quorum may consist of members who are present in person or by proxy. An instrument appointing a proxy shall be in the following form or in a form as near thereto as circumstances permit:-

TRANSPARENCY INTERNATIONAL SRI LANKA

I/We,..... of  
..... being a Member of the  
abovenamed Organization, hereby appoint .....  
of ..... failing him  
..... of  
..... as my/our proxy to represent  
me/us and to speak and to vote on my/our behalf at the annual/extraordinary, (as the case  
may be) general meeting of the Organization to be held on the ..... day of ..... 2..... ,  
and at any adjournment thereof and at every Poll which may be taken in consequence  
thereof.  
Signed this ..... day of .....2.....

- (3) If a quorum is not present within fifteen 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 fifteen minutes after the time appointed for the meeting, the members present or their proxies shall be deemed to form a quorum.

24. *Chairperson*

- (1) If the directors have elected a chairperson of the board, and the chairperson of the board is present at a meeting of members, he or she must chair the meeting.
- (2) If no chairperson of the board has been elected or if at any meeting of members the chairperson of the board is not present within fifteen minutes of the time appointed for the commencement of the meeting or being present is not willing to take the Chair, the deputy chairperson, if any, shall preside over such meeting. If there is no deputy chairperson or the deputy chairperson is not present or willing to take the Chair, then the members present may choose one of their number to be *pro tem* chairperson of the meeting.

25. *Voting*

- (1) In the case of a meeting of members held under paragraph (a) of article 12, unless a poll is demanded, voting at the meeting shall be by whichever of the following methods as determined by the chairperson of the meeting—
  - (a) voting by voice; or
  - (b) voting by show of hands.
- (2) Unless a poll is demanded, voting at the meeting shall be by members signifying individually their assent or dissent by voice.
- (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 members, a poll may be demanded by not less than five members having the right to vote at the meeting.
- (5) A poll may be demanded either before or after the vote is taken on a resolution.
- (6) In the case of an equality of votes, the chairperson of a members' meeting is entitled to a casting vote.

26. *Proxies*

- (1) A member may exercise the right to vote either by being present in person or by proxy.
- (2) A proxy for a member is entitled to attend and be heard at a meeting of members as if the proxy were the member.
- (3) A proxy must be appointed by notice in writing signed by the member. The notice must 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 Organization not less than forty eight (48) hours before the start of the meeting.
- (5) No member shall be entitled to vote at any general meeting unless all moneys presently payable by him/her to the Organization have been paid.

27. *Minutes*

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

28. *Members' proposals*

Members entitled to do so may give notice of the resolution to the Organization in accordance with section 142 of this Act and it shall be the duty of the Organization to give notice of the resolution or circulate the statement, or both, as the case may be, in accordance with section 142. The Organization is not required to give notice of a resolution or circulate a statement in the circumstances set out in subsections (4) or (5) of section 142.

29. *Corporations may act by representatives*

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

30. *Annual general meetings and extraordinary general meetings of members*

- (1) An extraordinary meeting of members may be called at any time by the board, and must be called by the board on the written request of one third of the members.
- (2) A resolution in writing signed by not less than eighty-five *per centum* of the members entitled to vote on the resolution at a meeting of members is as valid as if it had been passed at meeting of those members. The Organization need not hold an annual meeting if everything required to be done at the meeting (by resolution or otherwise) is done by resolution and is in accordance with this clause.
- (3) Within five working days of a resolution being passed under paragraph (3) of this article, the Organization must send a copy of the resolution to every member who did not sign it.
- (4) A resolution may be passed under paragraph (3) of this article without any prior notice being given to members.

31. *Members entitled to attend and vote at meetings*

- (1) The members who are entitled to receive notice of a meeting of members for any purpose shall be —
  - (a) if the board fixes a date for the purpose, those members whose names are registered in the members' register on that date;
  - (b) if the board does not fix a date for the purpose, those members whose names are registered in the members' register at the close of business on the day immediately preceding the day on which the notice is given.
- (2) A date fixed under paragraph (1) of this article should not precede by more than thirty working days, the date on which the meeting is to be held.
- (3) Before a meeting of members, the Organization may prepare a list of members entitled to receive notice of the meeting arranged in alphabetical order—
  - (a) if a date has been fixed under paragraph (1) of this article, not later than ten working days after that date; or
  - (b) if no such date has been fixed, at the close of business on the day immediately preceding the date on which the notice is given.

- (4) A member may examine a list prepared under paragraph (3) of this article during normal business hours, at the registered office of the Organization.

### C. DIRECTORS AND SECRETARY

#### 32. *Appointment and removal of directors*

- (1) The number of directors of the Organization shall not be less than four (4) and not more than sixteen (16).
- (2) A director may be appointed or removed by ordinary resolution passed at a meeting called for the purpose or by a written resolution in accordance with paragraph (3) of article 28. The members may only vote on a resolution to appoint a director if—
- (a) the resolution is for the appointment of one director; or
  - (b) the resolution is a single resolution for the appointment of two or more persons as directors, and a separate resolution that it be so voted on has first been passed without a vote being cast against it.
- Provided however that the directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an 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 these rules. Any directors so appointed shall hold office only for two years, and shall then be eligible for re-election at the next annual general meeting.
- (3) A director may resign by delivering a signed written notice of resignation to the registered office of the Organization. Subject to section 208 of this Act, the notice is effective when it is received at the registered office or at any later time specified in the notice.
- (4) A director vacates office if he—
- (a) (not being an executive director holding office as such for a fixed term) resigns in accordance with paragraph (3) of this article;
  - (b) is removed from office in accordance with the provisions of this Act or these articles;
  - (c) becomes disqualified from being a director pursuant to section 202 of this Act;
  - (d) dies;
  - (e) does not attend three consecutive meetings of the directors without informing the board of his inability to attend and the board resolves that his office be vacated;
  - (f) vacates office pursuant to subsection (2) of section 210 of this Act, on the ground of his age; or
  - (g) becomes prohibited by law or statute from acting as a director; or
  - (h) compounds with his creditors or is adjudicated an insolvent; or
  - (i) be lunatic or becomes of unsound mind; or
  - (j) be removed from office by a resolution of the Organization under the provisions of these articles.
- (5) At each Annual General Meeting one-third of the Directors for the time being shall retire from office or, if their number is not a multiple of three, the number nearest to (but not greater than) one-third shall retire from office. Provided that a Director who is or is over 70 years of age (and whose re-appointment shall accordingly be determined in terms of section 210 and 211 of the Act) shall not be taken into account in determining the Directors to retire in each year. A director shall not hold office for a consecutive period exceeding nine (9) years.

#### 33. *Powers and duties of directors*

- (1) Subject to section 185 of the Act which relates to major transactions, the business and affairs of the Organization 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 Organization.
- (2) The board may delegate to a committee of directors or to a director or employee any of its powers which it is permitted to delegate under section 186 of this Act.

*Provided however that the Board may set up Sub Committees for specific purposes as may be determined by the Board, comprising of Directors, employees and or third parties as and when deemed necessary by the Board. [Added on 29.06.2018]*

- (3) The directors have the duties set out in the Act, and in particular—
  - (a) each director must act in good faith and in what he believes to be the best interest of the Organization;
  - (b) no director shall act or agree to the Organization to act, in a manner that contravenes any provisions of this Act or these articles.
- (4) The Board shall have the power to invest the moneys or funds of the Organization not immediately required for its purposes in such investments, securities and/or property as may be thought fit subject nevertheless to such conditions as may be for the time being imposed by law.

Provided that;

- (a) the Organization shall not support with its funds or otherwise any object of a partisan political nature;
  - (b) the Organization shall not deal with or invest in any property devolving upon it from a trust solely in a manner allowed by the terms of the trust and the relevant provisions of the law, having regard to such trusts;
  - (c) the Organization shall not support with its funds any object or endeavour to impose on its or others any regulation, restriction or condition which if an object of the company would make it a trade union.
- (5) The Organization shall not sell, mortgage, charge or lease any property owned by it without the prior written authority, approval or consent of the Registrar of Companies and without such authority, approval or consent as may otherwise be required by law, and as regards such property the board of directors of the Organization shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such board of directors have been if no incorporation had been effected.

#### 34. *Interested directors*

- (1) A director who is interested in a transaction to which the Organization is a party must disclose that interest in accordance with section 192 of this Act.
- (2) Subject to paragraph (3) of this article, a director of the Organization is interested in a transaction to which the Organization 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
  - (d) is the parent, child or spouse of another party to or person who will or may derive a material financial benefit from the transaction; or
  - (e) is otherwise directly or indirectly materially interested in the transaction.
- (3) A director of the Organization is not interested in a transaction to which the Organization is a party, if the transaction comprises only the giving by the Organization 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 Organization 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 of the Organization who is interested in a transaction entered into or to be entered into by the Organization, may not—
  - (a) vote on a matter relating to the transaction;
  - (b) sign a document relating to the transaction on behalf of the Organization; and
  - (c) do any other thing in his capacity as a director in relation to the transaction.
- (6) A director of the Organization who has information in his capacity as a director or employee of the Organization which would not otherwise be available to him, must not disclose that information to any person or make use of or act on the information, except—
  - (a) for the purposes of the Organization;
  - (b) as required by law; or
  - (c) in accordance with paragraph (7) of this article.
- (7) A director of the Organization may disclose, make use of or act on information if—
  - (a) the director is first authorized to do so by the board under paragraph (8) of this article; and
  - (b) particulars of the authorization are entered in the interests register.
- (8) The board may authorize a director to disclose, make use of or act on information, if it is satisfied that to do so will not be likely to prejudice the Organization.

#### BOARD MEETINGS

##### 35. *Procedure at meetings of directors*

- (1) A meeting of directors may determine its own procedure, to the extent that it is not governed by these articles.

##### 36. *Chairperson*

- (1) The directors may elect one of their number to be the chairperson of the board for a period not exceeding three years from the date of such appointment. Provided that a director who has completed his initial term as chairperson may be re-elected as chairperson after the lapse of a minimum period of three years from the end of his initial term as chairperson.
- (2) If no chairperson is elected or if at a meeting of the board the chairperson is not present within five minutes after the time appointed for the commencement of the meeting, the directors present may choose one of their number to be *pro tem* chairperson of the meeting.

##### 37. *Notice of meeting*

- (1) A director, the secretary or if requested by a director to do so, an employee of the Organization, may convene a meeting of the board by giving notice in accordance with this article.
- (2) Not less than twenty-four hours notice of a meeting of the board must be given to every director who is in Sri Lanka.
- (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.

##### 38. *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.

39. *Quorum*

- (1) A quorum for a meeting of the board shall be three, present in person or via methods of telecommunication.
- (2) No business may be transacted at a meeting of directors if a quorum is not present.

40. *Voting*

- (1) Every director has one vote.
- (2) The chairperson has a casting vote.
- (3) A resolution of the board is passed if it is agreed to by all directors present without dissent or if a majority of the votes cast on it are in favour of it.
- (4) A director present at a meeting of the board is presumed to have agreed to and to have voted in favour of a resolution of the board, unless he or she expressly dissents from or votes against the resolution at the meeting.

41. *Minutes*

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

42. *Circular resolution*

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

43. *Advisory Council*

- (1) The Board may appoint an Advisory Council from and amongst people of eminence to advise the Board and the management with a view to achieving its objectives.
- (2) The members shall not be entitled to any remuneration.
- (3) They shall be serving in their personal capacity.
- (4) The Board shall adopt and/or amend rules governing the Advisory Council.

44. *Executive director*

- (1) The board may from time to time appoint an executive director for such period and on such terms as it thinks fit.
- (2) The board may delegate to the executive director, subject to any conditions or restrictions which they consider appropriate, any of their powers which can be lawfully delegated. Any such delegation may at any time be withdrawn or varied by the board. The delegation of a power of the board to the executive director does not prevent the exercise of the power by the board, unless the terms of the delegation expressly provide otherwise.

45. *Secretary*

- (1) The Organization must at all times have a secretary to the Board of Directors.
- (2) The board may appoint the secretary for such term and on such conditions as it thinks fit. The remuneration of the secretary shall be agreed to by the board and the secretary.
- (3) The board may remove the secretary.
- (4) The secretary may not be —
  - (a) the sole director of the Organization; or
  - (b) a corporation, the sole director of which is the sole director of the Organization.
- (5) Where the Act or these articles require something to be done by a director and the secretary, it is not satisfied by the same person doing that thing acting in both capacities.

D. ACCOUNTS AND AUDIT

46. *Accounting records, financial statements, audit etc.*

- (1) The board must ensure that the Organization keeps accounting records which —
  - (a) correctly record and explain the Organization's transactions;
  - (b) will at any time enable the financial position of the Organization to be determined with reasonable accuracy;
  - (c) will enable the board to prepare financial statements in accordance with this Act; and
  - (d) will enable the financial statements of the Organization to be readily and properly audited.
- (2) The accounting records must comply with subsection (2) of section 148 of this Act.
- (3) The board shall ensure that within five months after the end of the financial year of the Organization, financial statements which comply with section 151 of the Act (and if applicable, group financial statements which comply with section 153 of the Act) are completed in relation to that balance sheet date and are dated and signed on behalf of the board by two directors or if the Organization has only one director, by that director.
- (4) At every annual meeting, the Organization must appoint an auditor for the following year in accordance with section 154 of the Act. An auditor who is appointed at an annual meeting is deemed to be reappointed at the following annual meeting, unless —
  - (a) he is not qualified for re-appointment;
  - (b) the Organization resolves at that meeting to appoint another person in his place; or
  - (c) the auditor has given notice to the Organization that he does not wish to be re-appointed.
- (5) The board must within five months after the balance sheet date of the Organization, prepare an annual report on the affairs of the Organization during the accounting period ending on that date which complies with section 166 of this Act. The board must send a copy of the annual report to every member not less than twenty working days before the date fixed for holding the annual meeting of members.

E. LIQUIDATION AND REMOVAL FROM THE REGISTER

47. *Resolution to appoint liquidator*

The members may resolve to wind up the Organization voluntarily by special resolution.

48. *Distribution of surplus assets*

The surplus assets of the Organization shall not be paid to or distributed among the members of the Organization, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Organization as per Article 9 herein.

F. MISCELLANEOUS

49. *Documents to be kept by Organization*

- (1) The Organization must keep at its registered office or at some other place notice of which has been given to the Registrar in accordance with subsection (4) of section 116 of the Act, the following documents :—
  - (a) the certificate of incorporation and the articles of the Organization;
  - (b) minutes of all meetings and resolutions of members within the last ten years;
  - (c) an interests register;
  - (d) minutes of all meetings and resolutions of directors and directors' committees within the last ten years;
  - (e) certificates given by directors under this Act within the last ten years;
  - (f) the register of directors and secretaries required to be kept under section 223 of this Act;
  - (g) copies of all written communication to all members during the last ten years, including annual reports prepared under article 33(5);
  - (h) copies of all financial statements required to be completed under this Act for the last ten completed accounting periods of the Organization;
  - (i) the copies of instruments creating or evidencing charges and the register of charges required to be kept under sections 109 and 110 of this Act;
  - (j) the members' register; and
  - (k) the accounting records required by section 148 of this Act for the current accounting period and for the last ten completed accounting periods of the Organization.
- (2) The references in paragraph (1) of this article to "ten years" and to "ten completed accounting periods" shall include such lesser periods as the Registrar may approve, by notice in writing to the Organization.

50. *Rights of directors and members to documents etc.*

- (1) The directors of the Organization are entitled to have access to the Organization's records in accordance with section 118 of the Act.
- (2) A member of the Organization is entitled—
  - (a) to inspect the documents referred to in section 119 of the Act, in the manner specified in section 121 of the Act; and
  - (b) to require copies of or extracts from any document which he may inspect, within five working days of making a request in writing for the copy or extract, on payment of any reasonable copying and administration fee determined by the Organization. The fee may be determined by any director or by the secretary, subject to any directions from the board.

51. *Name of Organization*

The Organization may change its name by special resolution in accordance with section 8 of the Act.

52. *Notices*

- (1) Where the Organization is required to send any document to a member or to give notice of any matter to a member, it shall be sufficient for the Organization to send the document or notice to the registered address of the member by ordinary post. Any document or notice so sent is deemed to have been received by the member within three working days of the posting of a properly addressed

and prepaid letter containing the document or notice.

- (2) A member whose registered address is outside Sri Lanka may give notice to the Organization of an address in Sri Lanka to which all documents and notices are to be sent, and the Organization shall treat that address as the registered address of the member for all purposes.
- (3) A copy of every notice or document sent to all members must be sent to the auditor of the Organization.

53. *Insurance and indemnity*

- (1) The Organization shall indemnify every director, auditor and secretary of the Organization for the time being against any costs incurred in the course of defending any proceeding that relates to any act or omission in his capacity as director, auditor or secretary, in which judgment is given in his favour or in which, he is acquitted or which is discontinued.
- (2) The Organization may indemnify a director or employee in circumstances where paragraph (1) does not apply, to the extent permitted by subsection (3) of section 218 of the Act, if the board considers it appropriate to do so.

54. *Interpretation*

- (1) In these articles "the Act" means the Companies Act, No. 07 of 2007, and terms which are defined in the Act, shall have the same meaning in these articles.