

THE BY LAWS OF THE SRI LANKA INSTITUTE OF DIRECTORS

1. TITLE

The name of the institute shall be "The Sri Lanka Institute of Directors".

2. REGISTERED OFFICE

The Institute shall be situated within the District of Colombo or at such other address as may be decided by the Council from time to time.

3. OBJECTIVES

(a) To promote professionalism among Directors of companies in Sri Lanka and towards such end to incorporate and set up a registered corporate entity in Sri Lanka as a Company limited by guarantee under the provisions of the Companies Act No.07 of 2007 (the "Company")

(b) To confirm and ratify all of the activities carried on under and by virtue of the powers vested in the Council under the existing Constitution.

(c) To provide training and development support for directors, and other senior managers likely to become directors in the future.

(d) To promote practices that are beneficial to directors, their organizations and the country.

(e) To serve as a source of information for directors to promote informed decision-making at Board Level.

(f) To serve as a source of advice in helping resolve problems that a director may encounter in the course of his duties.

(g) To serve as a forum for directors to meet, fraternize and exchange ideas.

(h) To enhance the level of integrity among directors

(i) To strengthen and enhance the accountability of directors to stakeholders

(j) To pursue partnerships/cooperation with Non-Governmental Organizations, International Funding Agencies and Professional Bodies in furtherance of these objectives.

(k) To undertake all matters that are incidental or conducive to attaining the above objectives.

4. INSTITUTE MEMBERSHIP

4.1 Members of the Institute the Members of the Institute shall comprise of the following:

A Ordinary Member

(a) An Ordinary Member of the Institute shall include a director of a Private or Public Sector Company, incorporated in the Democratic Socialist Republic of Sri Lanka

(b) An individual seeking to become an Ordinary Member of the Institute shall apply in writing (on the prescribed form) to the Council of the Institute. An Ordinary Member shall join the Institute in his individual capacity. The Council may in its absolute discretion accept or reject an application for membership.

(c) An Ordinary Member who is not in arrears of subscription fees shall be entitled to attend Membership Meetings of the Institute.

(d) An Ordinary Member shall be entitled to vote at any Membership Meeting of the Institute and be eligible for election to the Council of Members. An Ordinary Member shall have one vote at Membership Meetings.

(e) An Ordinary Member in good standing and not in arrears of subscription fees shall be entitled to use the Post Nominal of MSLID.

B Graduate Member

(a) A Graduate Member of the Institute shall mean an Ordinary Member who has received a certificate of completion of the Company Director Training Program conducted by the Institute from time to time.

(b) A Graduate Member who is not in arrears of subscription fees shall be entitled to attend Membership Meetings of the Institute.

(c) A Graduate Member shall be entitled to vote at any Membership Meeting of the Institute and be eligible for election to the Council of Members. A Graduate Member shall have one vote at Membership Meetings.

(d) A Graduate Member in good standing and not in arrears of subscription fees shall be entitled to use the Post Nominal of GSLID.

C Fellow Member

a) A Fellow Member of the Institute shall be entitled to this status by one of the following three methods:

(i) By Standard Method: A Graduate Member who has been a Member for five (5) consecutive years

(ii) By Exemption: An Ordinary Member who has been a Member for ten (10) consecutive years.

(iii) By Special Invitation: A Member who has been invited by the Council on the basis of special experience, exposure and skill when measured against standards established by the Council from time to time

(b) A Fellow Member who is not in arrears of subscription fees shall be entitled to attend Membership Meetings of the Institute.

(c) A Fellow Member shall be entitled to vote at any Membership Meeting of the Institute and be eligible for election to the Council of Members. A Fellow Member shall have one vote at Membership Meetings.

(d) A Fellow Member in good standing and not in arrears of subscription fees shall be entitled to use the Post Nominal of FSLID.

D Life Member

(a) A Life Member of the Institute shall include an Ordinary Member, Graduate Member or Fellow Member who has been accepted as a Life Member at the discretion of the Council taking into account the special contribution made by such Member to the Institute. *Provided however, Past Chairpersons shall ipso facto become Honorary Life Members from the date they cease to be the Chairperson of the Institute except by operation of Clause 8 (p).*

(b) A Member seeking to become a Life Member of the Institute shall apply in writing (on the prescribed form) to the Council of the Institute. A Life Member shall join the Institute in his individual capacity. The Council may in its absolute discretion accept or reject an application for Life Membership.

(c) A Life Member shall be entitled to attend Membership Meetings of the Institute

(d) A Life Member shall be entitled to vote at any Membership Meeting of the Institute and be eligible for election to the Council of Members. A Life Member shall have one vote at Membership Meetings.

(e) A Life Member in good standing shall continue to use the Post Nominal of his immediate previous membership category

E Retired Member

(a) A Retired Member of the Institute shall include a Member that has been accepted as a Retired Member for a further period of five (5) years at the discretion of the Council taking into account that the Member is no longer actively involved as a Director and has reached the age of fifty-five (55) years. A

Retired Member shall pay a reduced annual subscription fee (which shall be determined by the Council of Members from time to time and ratified by the Membership of the Institute).

(b) A Member seeking to become a Retired Member of the Institute shall apply in writing (on the prescribed form) to the Council of the Institute. A Retired Member shall join the Institute in his individual capacity. The Council may in its absolute discretion accept or reject an application for a Retired Member.

(c) A Retired Member who is not in arrears of subscription fees shall be entitled to attend Membership Meetings of the Institute.

(d) A Retired Member shall not be entitled to vote at any Membership Meeting of the Institute nor be eligible for election to the Council of Members during the extended period.

(e) A Retired Member in good standing shall continue to use the Post Nominal of his immediate previous membership category.

4.2 Affiliates of the Institute

(a) An Affiliate of the Institute shall include:

(i) A person interested in the affairs of the Institute and holding a management position and aspiring to be a Director.

(ii) Full time students at a recognised University, or equivalent, studying for a Post Graduate qualification.

Such persons are expected to increase their awareness of Boardroom Governance by following courses conducted by the Institute.

(b) An individual seeking to become an Affiliate of the Institute shall apply in writing (on the prescribed form) to the Council of the Institute. An Affiliate shall join the Institute in his individual capacity. The Council may in its absolute discretion accept or reject an application for an Affiliate.

(c) An Affiliate who is not in arrears of subscription fees shall be entitled to attend Membership Meetings of the Institute.

(d) An Affiliate shall not be entitled to vote at any Membership Meeting of the Institute nor be eligible for election to the Council of Members

4.3 Associates of the Institute

(a) An Associate of the Institute shall include:

(i) a Partner of a professional practice, recognised by the Institute and registered in the Democratic Socialist Republic of Sri Lanka,

(ii) a Sole Proprietor or a Partner of an incorporated or an unincorporated business, registered in the Democratic Socialist Republic of Sri Lanka, or

(iii) a Senior Manager of a Private or Public Company or Partnership incorporated in the Democratic Socialist Republic of Sri Lanka, reporting directly to a Director, Partner or Proprietor.

(iv) an Academic at the level of Professor or equivalent.

(b) An individual seeking to become an Associate of the Institute shall apply in writing (on the prescribed form) to the Council of the Institute. An Associate shall join the Institute in his individual capacity. The Council may in its absolute discretion accept or reject an application for an Associate.

(c) An Associate who is not in arrears of subscription fees shall be entitled to attend Membership Meetings of the Institute.

(d) An Associate shall not be entitled to vote at any Membership Meeting of the Institute nor be eligible for election to the Council of Members.

(e) An Associate in good standing and not in arrears of subscription fees shall be entitled to use the Post Nominal of ASLID.

4.4 Patrons of the Institute

(a) A Patron shall include a corporate entity or an individual that has been accepted as a Patron at the discretion of the Council taking into account the significant support extended to the Institute. A Patron shall be represented by a designated officer of the corporate entity or the individual, as the case may be, at the Membership Meetings of the Institute.

(b) A Patron shall not be entitled to vote at any Membership Meeting of the Institute nor be eligible for election to the Council of Members.

5. REGISTER

The Secretary shall maintain a 'Register of Members/ Associates/ Affiliates/ Patrons' in which shall be entered the following minimum information:

(a) Name of Member/Associate/Affiliate/Patron

(b) Address, Contact Number and Email Address

(c) National Identity Card/ Passport/ Business Registration details as applicable

(d) Date of enrolment

(e) Date of cessation of Membership/ Associateship / Affiliateship /Patron

(f) Other details

(i) In the case of a Member names and addresses:

- of companies in which Member is a director,

(ii) In the case of an Affiliate names and addresses:

- of the organization in which he is holding a management position or
- of the university or equivalent where he is studying for a Post Graduate qualification.

(iii) In the case of an Associate names and addresses:

- of the incorporated/unincorporated business, of which such Associate is a Partner/Sole Proprietor; or
- of professional practices in which such Associate is a partner; or
- of companies in which such Associate is a Senior Manager; or
- of the place of academia in which such Associate is at the level of Professor or equivalent

(iv) In the case of a Patron names and addresses:

- of the corporate and representing designated officer; or
- of the individual.

6. FEES

(a) The Enrolment Fees payable by every Member /Associate /Affiliate seeking admission to the Membership / Associateship / Affiliateship of the Institute shall be such sums as the Council may from time to time determine and shall be ratified by the Membership of the Institute.

(b) The annual rate of Subscriptions Fees to the Institute shall be such sums as the Council may determine from time to time and shall be ratified by the Membership of the Institute.

(c) Life Members shall not be required to pay Annual Subscription Fees.

(d) All Annual Subscription Fees shall be paid within six (6) weeks from the beginning of each financial year. An Ordinary Member/ Associate/ Affiliate who is in arrears of his Annual Subscription Fees shall forfeit his Membership/ Associateship/ Affiliateship upon a decision by the Council, provided that the Ordinary Member/ Associate/ Affiliate concerned shall receive 14 days' notice in writing prior to such removal, to pay the amount of Annual Subscription in arrears, to avoid such forfeiture.

7. TERMINATION OF MEMBERSHIP/ ASSOCIATESHIP/ AFFILIATESHIP/ AND STATUS OF PATRON

Membership/ Associateship/ Affiliateship/ status of a Patron of the Institute shall ipso facto terminate:

- (a) On the Member/Associate/Affiliate/Patron submitting his/its resignation in writing to the Council.
- (b) Upon a resolution by the Members of the Council removing an Institute Member/Associate/Affiliate/Patron:
 - for contravention of the provisions of these rules, or
 - for conduct adversely affecting his moral character, integrity or honor or is injurious to the stature and interests of the Institute.
 - for having been admitted in consequence of any willful misrepresentation or by the suppression of any material information as to his/its character, status and antecedents as the case may be by himself/itself or the proposer or seconder

It shall be lawful for the Council after due inquiry to suspend/terminate any such Member/Associate/Affiliate/Patron from the Institute, provided always that such Member/Associate/Affiliate/Patron shall have at least seven (07) clear days' notice of the meeting of the Council at which the question of his suspension/termination is to be determined indicating also the grounds warranting such suspension/termination as well as affording him/it an opportunity of explaining his/its conduct or otherwise prior to the meeting of the Council of the Institute.

Provided that the Council may in any of the cases hereinbefore mentioned, instead of exercising the powers of suspension/termination aforesaid call upon the offending Member/ Associate/ Affiliate/ Patron by written notice to resign, and if within seven (07) days from the date of such notice such Member/ Associate/ Affiliate/ Patron shall not resign, the Council may, having first afforded the offending Member/ Associate/ Affiliate/ Patron an opportunity of explaining his conduct or otherwise, then proceed to call up a meeting of the Institute whereat the resolution pertaining to the suspension/termination of the Member/ Associate/ Affiliate/ Patron is placed before the Membership/ Associateship/ Affiliateship/ Patrons for a decision

8. THE COUNCIL

- (a) The affairs of the Institute shall, subject as hereinafter provided, be conducted by a 'Council' consisting of a total of Twelve (12) Members of the Institute and the executive powers of the Institute shall be vested in such Council. The Council shall be authorized to act in furtherance of the objectives, set out in rule 3 hereof, in accordance with directions laid down

by the Institute at a Membership meeting, provided however that at all times at least 25% of the Council shall be represented by females.

(b) The Council shall comprise:-

- i) One (1) Chairman;
- ii) Two (2) Vice Chairmen one of whom shall be the Senior Vice Chairman;
- iii) Eight (8) Council Members; all elected from among the members of the Institute; and
- iv) The Immediate Past President/Chairman

(c) Past Presidents/Chairmen of the Institute may be invited to serve in an advisory role to the Council

(d) Only Members of the Institute shall be eligible for election to the Council

(e) The Council shall be elected at an Annual Membership Meeting of the Institute and hold office for a term one (01) year, until the election of the next Council. All Members so elected shall hold office in person as individuals.

(f) Election of the Council shall be by ballot or by a show of hands as the Council may decide from time to time. Written nominations for the Council posts shall be called for at least fourteen (14) days before the Annual Membership Meeting and shall reach the Secretary seven (7) days before the Annual Membership Meeting.

(g) The Chairman, the two (2) Vice Chairmen and, the Eight (8) Council Members shall be elected to the Council and the immediate Past President/Chairman shall be appointed ex officio. The Council Members so elected shall remain in office until the next Annual Membership Meeting.

(h) If a vacancy occurs in the Council, the Council shall be empowered to co-opt a Member of the Institute to fill such vacancy.

(i) The quorum for a Council Meeting shall be five (5) Members one of whom shall be the Chairman or one of the Vice Chairmen.

(j) The Chairman of the Council or in his absence one of the Vice Chairmen shall preside at every Council meeting.

(k) Save as herein otherwise provided, questions or matters arising at any meeting of the Council shall be decided by a majority of votes and in case of equality of votes, the Chairman of the meeting, in addition to his original vote, shall have a casting vote.

(l) A meeting of the Council shall be convened:-

- at the request of the Chairman of the Council, or

- at the request of the two Vice Chairmen of the Council, or
- at the request of five (5) Members of the Council

(m) The Council shall meet at such times and places as it shall from time to time decide, and at all times the Council shall decide its own procedure.

(n) Any Member of the Council who fails to attend three (03) consecutive Council Meetings without approval, will be deemed to have vacated his seat in the Council, upon a minute to that effect being made in the Council Proceedings. No Member of the Council shall send a substitute in his absence for meetings of the Council.

(o) A Member of the Council shall not vote in respect of any contract in which he is interested or in any matter arising therefrom and if he does vote, his vote shall not be counted.

(p) The Office of a Council Member shall be vacated if such Member:

- i. becomes insolvent or bankrupt.
- ii. ceases to be or is disqualified from being a Member of the Institute,
- iii. is found to be unsound mind
- iv. is directly or indirectly interested in any contract with the Institute and fails to declare the nature of his interest, or
- v. is in the opinion of the majority of the Council, guilty of conduct adversely affecting his moral character, integrity or honor and the Council shall set out such opinion in writing and sign the same.

(q) If all Council Members have signed a document, which for these purposes may be a facsimile transmission containing a statement that they are in favour of as a resolution of the Council in terms set out in that document, a resolution in those terms shall be deemed to have been passed at a Meeting of the Council, held at the date and at the time at which the document was last signed by a Council Member. For the purpose of this rule, two or more separate documents containing statements in identical terms, each of which is signed by one or more Council Members shall together be deemed to constitute one document containing a statement on those terms signed by the Council Members on the respective days on which they signed the respective documents.

(r) The Council Members may meet by telephone conference calls or other means of simultaneous telecommunication conference at a time appointed by notice in writing, setting out a detailed agenda of the business to be transacted at the meeting accompanied by all documents relevant to that business. A resolution passed by such a meeting shall be deemed to have been passed at a Meeting of the Council held on the day on which and at the time at which the meeting was held.

(s) The Council shall have the power to make rules from time to time relating to the affairs and activities of the Council and membership as they shall deem necessary

(t) There shall be a Nominations Committee comprising of the Chairman, Immediate Past Chairman, Senior Vice Chairman and Vice Chairman to evaluate nominations received for election to the Council and to recommend to the Council

9. SECRETARY OF THE INSTITUTE

The Council shall appoint the Secretary on such terms and conditions as may be decided upon from time to time. The Secretary shall have no voting rights. The Secretary of the Institute shall maintain a minute book giving a true record of the proceedings of all meetings.

10. APPOINTMENT OF STAFF

The Council shall be entitled to appoint such staff on such terms and conditions as the Council shall deem fit. The Council shall be empowered to exercise disciplinary control including dismissal over such staff.

11. DELEGATION OF AUTHORITY BY THE COUNCIL

The Council may, by resolution, delegate any of its powers and functions to any officers, duly appointed or to a committee of Members, subject to such terms and conditions as may be laid down by the Council. Such delegation may be altered or revoked by the Council at any time, as the Council may deem necessary or expedient. Such committee shall report to the Council.

12. BOOKS AND ACCOUNTS

- (i) The Council shall cause to be maintained proper books of Accounts relating to the income, expenditure, assets, and liabilities of the Institute, and shall cause such accounts to be audited at the end of every financial year of the Institute.
- (ii) The books of Accounts shall be kept at the Registered office of the Institute or at such other place as the Council may decide and shall always be open to the inspection of the Council and to the Membership to the extent permitted by the Council.

13. FINANCIAL YEAR

The financial year of the Institute shall commence on the 1st of April of each year and shall end on the 31st of March of the following year.

14. MEETINGS OF THE INSTITUTE

(a) The Annual Membership Meeting of the Institute shall be held not later than 30th September in any year, (in addition to any other meetings held that year) unless or otherwise postponed for valid reasons, which are acceptable to the Membership, for the transaction of the following business:

(i) To receive the report of the Council and Audited Accounts of the Institute for the previous financial year.

(ii) To elect the Chairman, two (2) Vice Chairmen and Eight (8) Members of the Council of the Institute for the period up to the next Annual Membership Meeting.

(iii) To elect Auditors

(iv) To consider any motion or resolution of which due notice shall have been given to the Council not less than fourteen (14) calendar days before the date of meeting

(b) (i) Membership Meetings of the Institute shall be convened by the Secretary at the direction of the Council or on the requisition of not less than 50 Members or 15% of the Institute's total Members, whichever is greater.

(ii) Any requisition by Members shall be addressed to the Secretary and shall state the business to be dealt with at the meetings to be called and shall be deposited at the office of the Secretary. A requisition may consist of several documents in like form, each signed by one or more requisitionists. Upon receipt of such requisition, the Secretary shall forthwith proceed to convene a meeting of the Members to be held within 30 calendar days of the deposit of such requisition. If the Secretary does not proceed to convene a meeting within 30 days, the Members shall be entitled to have the meeting held at such time and place as they may themselves fix, but any meeting so convened shall be held within 60 calendar days from the date of deposit of such requisition.

The Notice of an Ordinary Membership Meeting shall comply with the provisions of Rule 15.

(c) Emergency Membership Meeting of the Institute shall be convened by the Secretary at the direction of the Council on such date and on such period of notice (being less than 21 calendar days) as the Council shall (having regard to the circumstances involved) decide,

Notice of an Emergency Membership Meeting shall otherwise comply with the provisions of Rule 15.

(d) Every Institute Member shall be eligible to exercise one vote in person at any Membership Meeting.

(e) The Council from time to time shall determine the quorum necessary for a Membership Meeting and no business shall be transacted at a Membership Meeting unless a quorum of Members is present at the time when the Meeting proceeds to

business. The present quorum for a Membership Meeting shall be 50 or 15% of the members in good standing, whichever is lower.

(f) If at the expiration of half an hour from the time appointed for a Meeting, the required number of Institute members shall not be present at the Meeting, the Meeting if convened by or upon the requisition of Institute Members shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place and no notice of such adjournment need be given and at such adjourned Meeting, the business shall be transacted by the Institute Members present thereat, notwithstanding that a quorum may not be present.

(g) The Chairman of the Council shall preside as Chairman at every Membership Meeting.

(h) If there is no Chairman at any Membership Meeting, or he is not present within fifteen minutes after the time appointed for holding such Meeting, or is unwilling to act as Chairman, the Members of the Council present shall choose someone of their number to be Chairman.

(i) At any Membership Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands. In the event of an equality of votes, the Chairman of such Meeting, in addition to his general vote, shall be entitled to a casting vote.

(j) Every resolution passed at a meeting of the Council shall, where necessary to be in compliance with the Companies Act No.7 of 2007, be submitted to the Directors of the Company in order that a resolution thereon shall be passed and duly adopted by the Company for purposes of uniformity.

15. NOTICE OF MEETING

Notice of every Annual Membership Meeting, or Ordinary Membership Meeting shall be given at least Fifteen (15) working days before the date of such meetings. Only matters in respect of which due notice has been given shall be taken up at such Meeting. The notice shall specify the place, day and time of the Meeting and the nature of the business to be transacted at the Meeting.

The Report of the Council and the Audited Accounts of the Institute for the previous financial year shall be circulated to Members along with the notice of the Annual Membership Meeting and shall be put before the Directors of the Company for adoption.

16. AMENDMENTS

The By-laws of the Institute may be amended or altered at any Annual Membership Meeting, Membership Meeting or Special Membership Meeting by a resolution passed by more than Seventy Five Percent (75%) of the Institute Members at such Meeting

provided they are not inconsistent with the Articles of Association of the Company and are beneficial for the carrying out of the purposes and objects of the Institute.

17. APPLICATION OF FUNDS

None of the funds or assets of the Institute or any part thereof shall be paid out to or distributed amongst the Members of the Institute and/or the Council by way of remuneration other than in respect of reimbursement of actual expenses incurred or services provided at the request of the Council.

18. INTERPRETATION

In these Rules, unless the context otherwise requires:-

- (a) The "Institute" shall mean "The Sri Lanka Institute of Directors", established by these By-laws
- b) "Council" shall mean the Council of Members duly elected under Rule 8
- (c) "By-laws" shall mean these Presents. Every such by-law so altered, amended or added hereto shall be deemed to be valid and effectual as if it were a rule of the Institute. These By-laws shall relate to the conduct of meetings of the Institute, the Council and any committee of the Council and the procedure to be followed at such meetings.
- (d) "Member" shall mean an Institute Member unless the context suggests otherwise.
- (e) "Company" shall mean The Sri Lanka Institute of Directors set up and incorporated as a company limited by guarantee under the provisions of the Companies Act No. 7 of 2007.
- (f) "Annual Membership Meeting" shall mean the Annual General Meeting

19. INDEMNITY

It is expressly declared and understood that the Council as a body, and each Council Member as an individual, shall not be liable for damages in respect of the exercise of his functions as an office bearer, a Member of the Council or as a voter at any Meeting and in the event of any legal action, the Council and the Institute Members shall at all times be indemnified from and out of the funds, property and assets of the Institute in consequence of any act, deed, matter or thing done or omitted to be done in respect of or in connection with the business of the Institute of any contract entered into on behalf of the Institute which have been done in good faith.

This version of the By-Laws were adopted at the Annual Membership Meeting held on 11th August 2021