


As adopted by a Special Resolution passed by the shareholders of Mahindra Ideal Finance Limited on 23rd February 2026.


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Director


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Company Secretary
Sonali N S Dunuwille
Company Secretary
Associate Member ICCS-SL
Reg No:RCS1000003

**ARTICLES OF ASSOCIATION
OF
MAHINDRA IDEAL FINANCE LIMITED
PRELIMINARY**

1. The model articles contained in the First Schedule to the Companies Act No. 7 of 2007 shall not apply to the Company. The Company shall be governed by the Companies Act No. 07 of 2007 and the regulations contained in these Articles but subject to repeal, alteration or addition by Special Resolution. Model Articles not to apply

2. In These Presents, if not inconsistent with the subject or context the words standing in the first column of the table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof:- Interpretation

WORDS	MEANINGS
The Company	MAHINDRA IDEAL FINANCE LIMITED
The Act	The Companies Act No. 7 of 2007, and terms which are defined in the Act, shall have the same meaning in these articles;
These Presents	These Articles of Association as from time to time altered by Special Resolution;

Special Resolution	Has the meaning assigned thereto by the Act;
The Board	The Directors for the time being of the Company including (where the context so admits or requires) Alternate 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;
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 authorized;
Office	The Registered Office of the Company;
Month	Calendar month;
Year	Calendar Year;
Working Day	A day other than Saturday, Sunday or a public holiday;
Shareholders' Agreement	means the Share Subscription, Share Purchase and Shareholders' Agreement dated August 20, 2019 between Ideal Motors (Private) Limited, Ideal Holdings (Private) Limited, Veritas Holdings (Private) Limited, Duminda Mahali Weerasekera, John Viraj Winston Malawana, Nalin J Welgama, Pinnaduwege Aravinda De Silva, Ideal Finance Limited (the Company) and Mahindra and Mahindra Financial Services Limited and any subsequent amendments made thereto;
MMFSL	means Mahindra and Mahindra Financial Services Limited;
Non Shareholders	MMFSL means all shareholder other than MMFSL and the special rights vested in the Non MMFSL Shareholders shall be exercised through IM as long as they remain the largest minority shareholder of the Company collectively;

IM		shall mean Ideal Motors (Private) Limited;
IDEAL Director	Nominee	Means a director nominated by IM;
PAS Execution Date		Pinnaduwege Aravinda De Silva; Means the execution date of the Shareholders' Agreement;
Qualified IPO		shall mean an initial public offering of Shares of the Company pursuant to which the Shares of the Company will be listed on the Colombo Stock Exchange;
Initial Closing		shall mean the completion of the initial MMFSL Investment as set out in Clause 3.1 to Clause 3.3 of the Shareholders' Agreement.
Initial Closing Date		shall mean a date determined by MMFSL, which shall be a Business Day no later than 7 (seven) calendar days from the completion of the conditions precedent set forth in Clause 2.7 of the Shareholders' Agreement to the satisfaction of MMFSL, on which the formalities relating to subscription to the First Tranche Shares by MMFSL shall be completed;
Second Closing		shall mean the completion of the Second MMFSL Investment as set out in Clause 4.1 and Clause 4.2 of the Shareholders' Agreement.
Second Closing Date		shall mean a Business Day on or before the expiry of 150 calendar days' from the Initial Closing Date or a Business Day no later than 7 (seven) calendar days from the completion of the conditions set forth in Clause 2.9 of the Shareholders' Agreement to the satisfaction of MMFSL, whichever is later, on which the formalities relating to subscription to the Second Tranche Shares referred to in the Shareholders' Agreement by MMFSL shall be completed;
Third Closing		shall mean the completion of the transfer of Shares from the Selling Shareholders to MMFSL as set out in Clause 5 of the Shareholders' Agreement;
Third Closing Date		shall mean a Business Day on or before the expiry of 450

calendar days' from the Second Closing Date or a Business Day no later than 7 (seven) calendar days from the completion of the conditions set forth in Clause 2.12 of the 'Shareholders Agreement to the satisfaction of MMFSL, whichever is later, on which the formalities relating to the Third Closing shall be completed;

Revised Third Closing Date

shall mean a Business Day that is Forty Five (45) days from the date on which MMFSL obtains the requisite approvals from the Reserve Bank of India, on which the formalities relating to the Third Closing shall be completed;

Affiliate

shall mean with respect to any Person, any Person directly or indirectly Controlling, and Controlled by or under common Control with, that Person and where such Person is an individual, the term "Affiliate" shall mean such individual's relatives or any Person Controlled by such individual or any of his/ her relatives.

Finance Business Act

means the Finance Business Act No. 42 of 2011 as may be amended or supplemented from time to time.

CG Direction No. 5 of 2021

means Finance Business Act Direction No. 5 of 2021 on Corporate Governance as may be amended or supplemented from time to time

Direction No. 6 of 2021

means Finance Business Act Direction No. 6 of 2021 on Assessment of Fitness and Propriety of Key Responsible Persons as may be amended or supplemented from time to time

Listing Rules of the Colombo Stock Exchange

Listing Rules of the Colombo Stock Exchange and any amendment made thereto from time to time

Change of Control

"Change of Control" shall occur for the purposes of this Article 10(iii)(j) where NJW directly or indirectly holds less than Fifty-One per cent (51%) of IM. Provided that the transfer of such shares by NJW to an Affiliate shall not constitute a Change of Control.

Each and every place where the name 'Ideal Holdings (Private) Limited' is referred to shall mean and refer to as 'Ideal Motors (Private) Limited'.

In these Presents, if not inconsistent with the subject or context, the words shall have the same meaning attributed to them in the Act.

The expressions 'the Secretary' or 'the Secretaries' shall include any individual, firm or company appointed by the Board to perform any of the duties of the Secretary.

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

The headings and marginal notes are inserted for convenience only and shall not affect the construction of These Presents.

3. The objects of the Company are -

Objectives

(a) To carry on finance business in conformity with the provisions of the Finance Business Act, No. 42 of 2011 as amended or superseded from time to time and in conformity with provisions of all written laws for the time being in force and all regulations, directions, determinations, rules, orders or requirements made, given or imposed thereunder.

(b) To carry on finance leasing business in conformity with the provisions of the Finance Leasing Act No. 56 of 2000 as amended or superseded from time to time and in conformity with provisions of all written laws for the time being in force and all regulations, directions, determinations, rules, orders or requirements made, given or imposed thereunder.

(c) To engage in the business of factoring, invoice discounting and all other related products and to take and exercise all measures incidental to such operations.

To carry on, subject to obtaining the necessary approvals from the Insurance Regulatory Commission of Sri Lanka and/or any other relevant authority/ies, the business of insurance agents, insurance brokers, re-insurance brokers and insurance manufacture and to undertake and transact all kinds of agency business as permitted by the regulatory authorities.

(e) To carry on business of an asset reconstruction company and or a securitization company as permitted by any Statutory or Regulatory Authority and or generally deal in or manage participation certificates, participation units, securitised debts, asset backed securities or mortgage backed securities or asset backed securitised debt or mortgage backed securitised debt whether representing financial assets, receivables, debt or securities; to promote, organise or manage funds, investments, financial assets, receivables, debt or securities thereof (if any); to manage, sell, deal or realize any property which has come or has come into possession of the Company in satisfaction or part satisfaction of any of its claims; and to administer,

claim, collect, demand, direct, manage, recover, retrieve, repossess, realize, restructure, reconstruct or service financial assets, receivables, debt or securities thereof (if any), or appoint agent or manager for such purposes, or guarantee and insure the due payment, fulfillment and performance of obligations.

- (f) To issue, implement, undertake, assist, offer, distribute, or otherwise engage in the business of issuing and operating prepaid payment instruments including but not limited to issue of all types of electronic and virtual payment systems services, credit cards, e-wallets, mobile-wallets, Co-Branded pre-paid instruments, cash card to consumers, prepaid and post-paid payment instruments, including direct debit facility on mobile phone, provide solutions for payment for all goods and services and utility bills through mobile phone, landline, broadband and such other manner and in accordance with the prescribed regulations and to obtain affiliation of authorized card networks under membership rules / framework permissible by the authorized card network / card association; and to carry on the business of providing different types of payments related services including, without limitation, through Unified Payments Interface (UPI), payment aggregator services and payment gateway services.

- (g) To borrow or raise money in such manner as the Company shall think fit and in particular by mortgage and by the issue of debentures or debenture stock, perpetual or otherwise, and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the Company's property or assets, whether present or future, including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company of any obligation or liability it may undertake and to purchase, redeem or pay off any such securities.

- (h) To borrow or raise money and secure and discharge any debt or obligation or binding on the Company in such manner as may be thought fit, and in particular, by mortgages of the undertaking and all or any of the immovable and movable property (present or future) and the uncalled capital of the Company, or by the creation and issue, on such terms as may be thought expedient, of debentures or debenture stock, perpetual or otherwise, or other securities of any description.

The objects set forth in any sub-clause of this clause shall not, except when the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other sub-clause, or by the name of the Company. None of such sub -clauses or the objects therein specified or the powers thereby conferred shall be deemed merely subsidiary or auxiliary to the objects mentioned in any other sub clause of this clause, but the Company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the

business, undertaking property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of any other sub-clause of this clause.

SHARES

4. (1) Subject to articles 4(2) and 4(3), of these articles, the Boards may issue such shares to such persons as it thinks fit in accordance with section 51 of the Act. Where 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 must approve the terms of issue which set out the rights and obligations attached to the shares as required by subsection (2) of section 51 of the Act. Issue of shares
- (2) Before it issues shares, the Board must decide the consideration for which the shares will be issued. The consideration must be fair and reasonable to the Company and to all existing shareholders.
- (3) In the event that the Company proposes to issue any additional shares, such shares shall be offered *pro rata* to all shareholders. If one of the shareholders does not subscribe to the offered shares, the other shareholders shall have a right to subscribe to such shares on a *pro rata* basis.
- (4) Subject to Article 4 (1) the Board may issue any shares with any preferential rights or privileges or subject to any special terms or conditions with or without any special designation and from time to time to modify, commute, abrogate, or deal with any rights, privileges, terms conditions or designations for the time being attached to any class of shares in accordance with the provisions herewith.
- (5) Nothing in these Presents contained shall preclude the Board from recognizing and acting on a renunciation of allotment of any share by the allottee thereof in favour of any other person.
- (6) The rights attached to shares shall not, unless otherwise expressly provided by the terms of issue of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
5. In the event of the Directors having issued any shares which are partly paid, the Directors may from time to time make calls upon the holders of such shares in respect of any money unpaid on their shares, subject to a period of not less than fourteen (14) days' notice being given for payment. Partly paid shares and calls
6. The Company may give financial assistance directly or indirectly for or in connection with the acquisition of own shares and in accordance with sections 70 and 71 of the Act Financial assistance for the payment of

and any other applicable statutory regulations.

shares

7. (1) The Company may by Special Resolution reduce its stated capital to such amount as it thinks appropriate in accordance with section 59 of the Act. Reduction of stated capital
- (2) The Company shall in accordance with Article 10 (vi) issue a share certificate for the number of shares consequent to such reduction in lieu of the share certificates held by the shareholder.
- (3) The Company may agree to purchase or otherwise acquire its own shares with the approval of the Board. Purchase of shares by the Company
- (4) Before the Company offers or agrees to purchase its own shares, the Board of the Company should resolve that -
- (i) the acquisition is in the interests of the Company;
 - (ii) the terms of the offer or agreement and the consideration to be paid for the shares are in the opinion of the Company's auditors a fair value; and
 - (iii) it is not aware of any information that has not been disclosed to shareholders which is material to an assessment of the value of the shares, and as a result of which the terms of an offer or the consideration offered for the shares are unfair to shareholders accepting the offer.
- (5) Before the Company -
- (i) makes an offer to acquire shares other than in a manner which will if it is accepted in full, leave unaffected the relative voting and distribution rights of all shareholders; or
 - (ii) agrees to acquire shares other than in a manner which leaves unaffected the relative voting and distribution rights of all shareholders;
- the Board shall resolve that the making of the offer or entry into the agreement, as the case may be, is fair to those shareholders to whom the offer is not made or with whom no agreement is entered in to.
- (6) The share which may be so purchased shall be cancelled immediately upon purchase.
8. (1) The Company may issue shares which are redeemable, Redeemable shares
- (i) At the option of the Company;
 - (ii) At the option of the holder of the share;
 - (iii) On a date specified in these presents;
- Redemption would be for a specified consideration by the Board at the time of issue or a consideration which is calculated on a formula or to be fixed by an independent financial advisor having such qualifications as the Board may think fit.

- (2) The Company may exercise the option referred to in 8(1) (i) above, only after the Board has resolved that the redemption is in the interests of the Company.
 - (3) Where shares are redeemed in accordance with article 8(1) (ii) and the holder of the share gives proper notice to the Company requiring the Company to redeem the share:
 - (i) the Company should redeem the share on the date specified in the notice or if no date is specified, on the date of the receipt of the notice;
 - (ii) the share should be cancelled on the date of redemption; and
 - (iii) from the date of redemption, the former shareholder will rank as an unsecured creditor of the Company for the sum payable on redemption.
 - (4) Where shares are redeemed in accordance with article 8 (1) (iii);
 - (i) the Company should redeem the shares on that date;
 - (ii) the share is deemed to be cancelled on that date;
 from the date specified in article 8 (1) (iii), the former shareholder ranks as an unsecured creditor of the Company for the sum payable on redemption.
9. (1) The Company may by Special Resolution and subject to the provisions of the Act
- Consolidation,
splitting and
capitalization
- (i) consolidate or split (i.e. sub divide)all or any of its shares in issue in such proportions as it may seem fit, in a manner which would leave the relative voting and distribution rights of all shareholders substantially unaffected;
 - (ii) capitalize any part of the amounts for the time being standing to the credit of any of the Company's reserve accounts excluding the statutory and other reserves to be maintained under the Finance Business Act No. 42 of 2011 as amended and any Direction issued thereunder in a manner which would leave the relative voting and distribution rights of all shareholders substantially unaffected;
- (2) The consolidation, split or capitalization shall take effect on such day as may be determined in the said resolution or by the Board.
 - (3) The Company shall within one month issue a share certificate for the number of shares consequent to such consolidation and split in lieu of the share certificates held by the shareholder.
 - (4) In the event of a shareholder becoming entitled to a fraction of a share, consequent to the consolidation, split or capitalization, the Directors shall have the power to sell such fractional entitlements.

SHARE REGISTER, SHARE CERTIFICATES AND TRANSFER AND TRANSMISSION OF SHARES

10. (i) The Company must maintain a share register, which complies with section 123 of the Act. The share register must be kept at the registered office of the Company or 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.
- (ii) Where shares are to be transferred, a form of transfer signed by the holder or by his legal representative shall be delivered to the Company. The transfer must be signed by the Transferee if the share imposes any liability on its holder.
- (iii) (a) The Board may resolve to refuse to register a transfer of a share within six weeks of receipt of the transfer, if any amount payable to the Company in respect of the share is due but unpaid. The Company shall not register more than three (03) persons as joint holders (including the principal holder) of any shares (except in the case of executors, administrators or heirs of a deceased member). If the Board resolves to refuse to register a transfer for this reason, it must give notice of the refusal to the shareholder within one week of the date of the resolution.
- (b) The Directors may also decline to register a transfer of a share on which the company has a lien.
- (c) In the event that any shareholder of the Company other than MMFSL wishes to sell all or part of its/his/her shares (“**Transfer Shares**”) to a third party, the shareholder shall notify MMFSL in writing specifying the terms of such sale and obtain the approval of MMFSL for such sale. Upon obtaining such approval such shareholder may sell its/his/her Shares to a third party who is not a Competitor, provided that such shareholder shall:
- (i) notify MMFSL in writing of the terms subject to which he/she seeks to sell the Transfer Shares to the third party including, the price (“**Transfer Notice**”) and first offers MMFSL the right of first refusal to purchase the Transfer Shares. The offer shall remain open for acceptance for a period of sixty (60) days of receipt of the Transfer Notice (“**Offer Period**”) and MMFSL may, at its sole discretion purchase (either by itself or through an Affiliate or nominee) all but not less than all of such Transfer Shares on the terms specified in the Transfer Notice (“**Right of First Refusal**”);
- (ii) at the expiration of the Offer Period, if MMFSL has not exercised its Right of First Refusal, the divesting

- shareholder may offer such Transfer Shares to the third party provided that such party is not a Competitor, and the Transfer Shares are offered on terms identical to those offered to MMFSL; and
- (iii) a binding agreement is obtained from the transferee (third party) that it shall enter into a deed of adherence agreeing to be bound by the terms and conditions of the Shareholders' Agreement as if the transferee was a party to it at the outset.
- (d) In the event the shareholder/s receive/s an offer from a third party and communicate/s the offer to MMFSL as provided in article 10 (iii) (c), MMFSL may, instead of exercising its Right of First Refusal, require the divesting shareholder /s to add (and the shareholder/s shall add) all or part of MMFSL's Shares in the Company as determined by MMFSL to the Shares to be sold by the divesting shareholder/s to the third party at the same price and on the same terms as that offered to the divesting shareholder /s by the third party ("**MMFSL Tag Along**"); provided that MMFSL conveys its intention to cause its Shares to be sold to the third party, within 45 calendar days of the shareholder intimating it of its intention to sell to such third party.
- (e) In the event that MMFSL wishes to sell all or part of its Shares prior to an IPO or otherwise, it shall notify the Non MMFSL Shareholders of such fact in writing. The Non MMFSL Shareholders either individually or jointly or through an Affiliate or nominee may offer to purchase not less than all of the Shares held by MMFSL for sale within a period of sixty (60) days from the date of receipt of such notice. MMFSL may at its option and discretion, accept or reject the offer within a period of thirty (30) days of the receipt of the offer from the Non MMFSL Shareholder/s.
- (f) In the event MMFSL intends to sell any or all of the Shares held by MMFSL in the Company to a third party, IM, VHL and JVWM shall have the right to require MMFSL to add all or part of their Shares in the Company as determined by them, to the shares to be sold to the third party at the same price and on the same terms as that offered to MMFSL by the third party ("**Non MMFSL Shareholder Tag Along**"); provided that IM, VHL and JVWM convey their intention to cause their Shares to be sold to the third party, within 45 calendar days of MMFSL intimating them of its intention to sell to such third party.
- (g) The Non MMFSL Shareholders shall not sell, pledge, or create any encumbrance or otherwise dispose of any of his/her/ their shares in the

Company to any third party for a period of Five (05) years from the Execution Date of the Shareholders Agreement or Three (03) years after a Qualified IPO, whichever is earlier, except that they may pledge, or encumber up to Twenty per cent (20%) of their shareholding in the Company, after the Third Closing, to a licensed financial institution, provided that such pledge agreement will specifically recognize the restriction on the transfer of shares as provided in **the Shareholders' Agreement** and the period mentioned above shall commence from 23rd May 2021 subject however to the express condition that the said Twenty per cent (20%) that may be pledged or encumbered shall be calculated excluding the sale shares.

For avoidance of doubt, the Non MMFSL Shareholders hereby agree and undertake to ensure that this exception in Article 10(iii)(g) shall not be used in bad faith to circumvent the transfer restrictions under Article 10(iii)(g).

- (h) Notwithstanding Article 10(iii)(g), the Non MMFSL Shareholders may sell their shares in the Company to a third party with prior approval of MMFSL, provided that he/she/they cause such third party to execute a deed of adherence undertaking to comply with the provisions of the Shareholders' Agreement.
- (i) Any such sale to a third party shall be subject to the rights of MMFSL contained hereunder including without limitation to the Right of First Refusal and Tag Along right.
- (j) The Non MMFSL Shareholders shall obtain the prior written approval of MMFSL for any change in shareholding of the Company and any repurchase of Shares by the Company.
- (k) Each Non MMFSL Shareholders hereby undertakes that there shall be no Change of Control of such shareholder without the prior written approval of MMFSL, which MMFSL may in its sole discretion withhold.
- (l) Any transfers of shares of the Company, by any of the Parties, in contravention of the above provisions in articles 10 (iii) (c) (d) (e) (f) (g) (h) (i) (j) and (k) shall be deemed to be invalid, and the Company shall not give effect to such transfer.
- (iv) Where a joint holder of a share dies, the remaining holders shall be treated by the Company as the holders of that share. Where the sole holder of a share dies, that shareholder's legal representative shall be the only person recognized by the

Company as having any title to or interest in the share.

- (v) 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 under this article in the circumstances set out in article 10 (iii).
- (vi) Where the Company issues shares or the transfer of any shares is entered on the share register, the Company must within one month complete and have ready for delivery a share certificate in respect of the shares.
- (vii) If a Share Certificate be defaced, lost or destroyed, it may be renewed on payment of such fee not exceeding LKR 100/- and on such terms as to evidence and indemnity and the payment of out - of - pocket expenses of the Company in investigating evidence as the Director's think fit.
- (viii)
 - (a) At any time following the completion of 1 year from the Third Closing Date, MMFSL or the Non MMFSL Shareholders (the “**Initiating Shareholder**”) may provide notice to the other Parties (the “**Non-Initiating Shareholder**”) requiring that the Company consider undertaking a Qualified IPO. Within forty five (45) days of issuance of such notice, MMFSL and the Non MMFSL Shareholders shall jointly recommend three (3) investment banks to the board of directors of the Company.
 - (b) Upon receiving the joint recommendations of MMFSL and the Non MMFSL Shareholders, the board of directors of the Company shall evaluate the three (3) investment banks recommended by MMFSL and the Non MMFSL Shareholders and appoint one (1) of them as an investment bank for the Qualified IPO (the “**Investment Bank**”). If, however, MMFSL and the Non MMFSL Shareholders are unable to jointly agree on three (3) investment banks, then, the board of directors of the Company shall on its own evaluate the pool of investment banks preferred by MMFSL and the Non MMFSL Shareholders, and, if three-fourths of the board of directors of the Company approve, appoint one (1) of them as an investment bank for the Qualified IPO (also referred to as “**Investment Bank**”).
 - (c) Upon its appointment by the board of directors of the Company pursuant to Article 10(viii)(b), the Company shall direct the Investment Bank to evaluate the feasibility of executing a Qualified IPO and determine whether, in the Investment Bank’s good faith estimation, a Qualified IPO

is reasonably likely to be possible in light of then current market conditions. If the Investment Bank so determines a Qualified IPO is reasonably likely to be possible in light of then current market conditions, then a committee shall be constituted with one (1) representative of each of MMFSL and the Non MMFSL Shareholders (“**IPO Committee**”), which shall the run the Qualified IPO and public offering process, and each of the Parties shall take all reasonable actions toward expeditiously executing the Qualified IPO.

- (d) Upon a determination by the Investment Bank that a Qualified IPO is reasonably likely to be possible in light of then current market condition, the Company, Initiating Shareholders and Non-Initiating Shareholders shall undertake to take all such steps, and extend all such cooperation to each other and the Investment Bank, the syndicate members, underwriters and all other advisors (collectively, the “**Intermediaries**”), as may be required for the purpose of expeditiously making and executing the Qualified IPO approved by the board of directors of the Company, including for the (i) preparation and signing the relevant offer documents by the relevant Persons; (ii) conducting road shows with adequate participation of senior management; (iii) entering into appropriate and necessary agreements; (iv) providing all necessary information and documents necessary to prepare the offer documents; (v) complying with the regulations prescribed by any governmental authority; (vi) filing with appropriate regulatory authorities; and (vii) obtaining any necessary consents in relation to the Qualified IPO.
- (e) It is hereby agreed that MMFSL, IM shall collectively be disclosed as “**promoters**” or part of the “**promoter group**” of the Company in the relevant documents to be filed with the governmental authority or the stock exchanges, for the purpose of the Qualified IPO, and shall collectively undertake all obligations including the obligations to make the necessary disclosures in relation to the offering or other related documents.
- (f) The Parties agree that MMFSL and IM are operating the Company as joint venture partners. Accordingly, IM hereby agree that they shall, for a period of three (3) years after completion of the Qualified IPO (“**IPO Lock In**”), collectively continue to hold at least 25% of the total shareholding of the Company on a Fully Diluted Basis, subject the condition that no restriction in the form of a lock in of shares shall last beyond five years of the Execution Date.
- (g) All fees and expenses (other than underwriting discounts and

commissions) incurred by the Company, the Initiating Shareholders and Non-Initiating Shareholders and their respective representatives in connection with the preparation or consummation of a Qualified IPO, including all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company, and the fees, expenses and disbursements of one counsel for MMFSL and the Non MMFSL Shareholder selected by thereby, shall be borne by the Company.

- (ix) The Parties agree that no provision of the Shareholders' Agreement can be used to restrict MMFSL's right of investment in the Company. The Non MMFSL Shareholders and the Company further agree that in the event there is a change in the applicable law such that MMFSL's ability to acquire or hold Shares in accordance with the provisions of the Shareholders' Agreement is restricted in any manner (an "**MMFSL Shareholding Restriction**"), MMFSL shall have the option to refuse to acquire Shares in accordance with, Clauses 3, 4 or 5 of the Shareholders Agreement. Further, in the event of an MMFSL Shareholding Restriction, MMFSL may (at its option), by giving thirty (30) days' prior written notice to the Company, require the Company to repurchase any or all of the Shares held by MMFSL in the Company at such time at the then existing fair market value. In the event that MMFSL exercises its rights under this Article, the Non MMFSL Shareholders shall vote in favour of all resolutions of the shareholders of the Company that may be required for the purpose of approving the repurchase of the Shares in terms of this Article and take all such other necessary steps as maybe required to enable the Company to repurchase the Shares at the then existing fair market value.

Notwithstanding any provision in these presents suggesting the contrary, debt securities listed on the Colombo Stock Exchange shall be freely transferable and registration of the transfer of such listed debt securities shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.

- (x)

MEETINGS OF SHAREHOLDERS

11. (1) Every shareholder shall be entitled to written notice of twenty one (21) days of every general meeting of the Company due to be held and convened unless all shareholders agree in writing to waive such requirement. The notice shall contain the time and place of such meeting with an agenda of items to be discussed thereat. Notice of meetings
- (2) The notice must 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 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 in writing.

(4) Notwithstanding the provisions of Article 11 (2) above, the following business transacted at an Annual General Meeting of the Company shall constitute routine business and shall not require notice thereof:

(i) considering the annual report prepared in accordance with section 168 of the Act;

(ii) appointing auditors and fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed;

(iii) electing directors in the place of those retiring by rotation or otherwise.

(5) 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.

12. (1) A meeting of shareholders shall be held by a number of shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting.

Methods of holding meetings

13. (1) Subject to Article 13(3) below, no business may be transacted at a meeting of shareholders if a quorum is not present.

Quorum

(2) A quorum for a meeting of shareholders is present if shareholders entitled to vote or their proxies are present which exceed three (03) in number and which includes MMFSL.

(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 minutes after the time appointed for the meeting, the shareholders present or their proxies shall be deemed to form a quorum.

14. (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 or she must chair the meeting.

Chairperson

(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 minutes of the time appointed for the commencement of the meeting, the shareholders present may choose one of their member to be chairperson of the meeting.

15. (1) In the case of a meeting of shareholders 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 -
- (i) voting by voice ; or
 - (ii) voting by show of hands.
- (2) 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 Article 15 (3).
- (3) At a meeting of shareholders, a poll may be demanded by;
- (i) not less than three (03) shareholders having the rights to vote at the meeting; or
 - (ii) a shareholder or shareholders representing not less than ten per centum of the total voting rights of all shareholders having the right to vote at the meeting.
- (4) A poll may be demanded either before or immediately after the vote is taken on a resolution.
- (5) If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholders present and voting.
- (6) The chairperson of shareholders' meeting not entitled to a casting vote.
- (7) If a poll is duly demanded (and the demand be not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the person presiding at the meeting may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The person presiding may (and if so requested shall) appoint a scrutinizer and may adjourn the meeting to some place and time fixed by him for the purpose of taking and declaring the result of the poll.
- (8) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (9) No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote to which no objection shall be made at such meeting or poll shall be deemed valid for all purposes of

Voting at
meetings of
Shareholders'

such meetings or poll whatsoever.

16. (1) A shareholder entitled to vote 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 must be appointed by notice in writing signed by the shareholder.
- (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 hours before the start of the meeting.
- (5) An instrument appointing a proxy shall be in the following form or in a form as near thereto as circumstances admit:-

MAHINDRA IDEAL FINANCE LIMITED

I/we,..... of being a member/members of the above named Company hereby appoint of failing him of as my/our proxy to represent me/us and vote for me/us on my/our behalf at the annual /extraordinary, (as the case may be) general meeting of the Company to be held on the day of 20 and at any adjournment thereof.

Signed this day of20.....

- (6) A body corporate which is a shareholder may appoint a representative to attend a meeting of shareholders or any class of shareholders on its behalf by resolution of its Directors or other governing body. Corporations may act by representatives
17. (1) The Board must ensure that minutes are kept of all proceedings at meetings of shareholders. Minutes
- (2) Minutes which have been signed as correct by the chairperson of the meetings are *prima facie* evidence of the proceedings.
18. (1) Shareholders entitled to do so may give notice of the resolution to the Company in accordance with section 142 of the Act and it shall be the duty of the Company to give notice of the resolution or circulate any statement, or both, as the case may be, in accordance with such section. The Company is not required to give notice of a resolution or circulate a statement in the circumstances set out in subsections Shareholders' Resolutions

(4) or (5) of section 142 of the Act.

(2) The Company shall give shareholders notice of any resolution and circulate to shareholders any statement with respect in the matter referred to in any proposed resolution or the business to be dealt with at that meeting upon receiving a requisition in writing of such number of shareholders as referred to section 142 (1) of the Act.

19. Where two or more persons are registered as the holders 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. Votes of joint holders
20. If a sum due to the Company in respect of a share has not been paid, that share may not be voted at a shareholders' meeting other than a meeting of an interest group unless there is provision to the contrary at the time of issue of shares to such shareholder. Loss of voting right if calls unpaid
21. (1) Subject to article 21(2) below, the Board must call an Annual General Meeting of the Company to be held - Annual general meetings and extraordinary general meetings of shareholders
- (i) once in each calendar year;
- (ii) not later than six (06) months after the balance sheet date of the Company; and
- (iii) not later than fifteen (15) months after the previous Annual Meeting.

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

- (2) An extraordinary meeting of shareholders entitled to vote on an issue may be called at any time by the Board, and must be called by the Board on the written request of shareholders holding shares, carrying not less than ten percent (10%) of votes which may be cast on that issue.
22. (1) Where the Company proposes to take action which affects the rights attached to shares within the meaning of section 99 of the Act, the action may not be taken unless it is approved by a Special Resolution of each interest group as defined in the Act. Voting in interest groups
- (2) No decision shall be taken by the Shareholders at a General Meeting on any matter listed in article 25 (5) without obtaining the approval required therein.
23. (1) The shareholders who are entitled to receive notice of a meeting of shareholders for any purpose shall be - Shareholders entitled to

- (a) if the Board fixes a date for the purpose, those shareholders whose names are registered in the share register on that date
 - (b) if the Board does not fix a date for the 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 the notice is given.
- (2) A date fixed under Article 23 (1) should not precede by more than thirty (30) working days, the date on which the meeting is to be held.
- (3) Before a meeting of shareholders, the Company may prepare a list of shareholders entitled to receive notice of the meeting arranged in alphabetical order, and showing the number of shares held by each shareholder -
- (a) if a date has been fixed under Article 23(1)(a) not later than ten (10) 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 day on which the notice is given.
- (4) A person named in a list prepared under article 23 (3) is entitled to attend the meeting and vote in respect of the shares shown opposite his name in person or by proxy, except to the extent that -
- (a) that person has, since the date on which the shareholders entitled to receive notice of the meeting were determined, transferred any of his shares to some other person; and
 - (b) the transferee of those shares has been registered as the holder of those shares, and has requested before the commencement of the meeting that his or her name be entered on the list prepared under Article 23 (3).
- (5) A shareholder may examine a list prepared under Article 23(3) during normal business hours, at the registered office of the Company.

DIRECTORS AND SECRETARY

24. (1) (a) The Board shall consist of a minimum of seven (7) and not more than thirteen (13) Directors. Appointments to the Board shall be made so that they comply with governance requirements that may be prescribed by applicable regulatory bodies and written undertakings on representation agreed to between shareholders' agreements and to which the Company is a party.
- (b) MMFSL shall be entitled to nominate a minimum of three (3) Directors

to the Board and the Non MMSFL Shareholders shall be entitled to nominate a maximum of four(4) directors to the Board of the Company. However, from the Third Closing Date MMSFL shall be entitled to nominate a minimum of three (3) directors to the Board of the Company and IM and PAS (as Non MMFSL Shareholder) shall, each be entitled to appoint a maximum of one (1) director to the Board of the Company as long as IM and PAS individually own at least ten percent (10%) of the shares of the Company. MMFSL shall also be entitled to nominate at least one (1) director to any of the committees set up by the Company.

- (2) The Directors shall have power at any time to appoint any person to be a director to fill a casual vacancy as an addition to the existing directors subject to the maximum number set out in article 24 (1). Any Director so appointed shall hold office until the next following Annual General Meeting and shall be eligible for re-election and not be counted for Article 24 (06) below.
- (3) A director may be appointed or removed by ordinary resolution passed at a meeting called for the purpose. The shareholders 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.
- (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) A director vacates office if he -
 - (a) resigns in accordance with Article 24(4);
 - (b) is removed from office in accordance with the provisions of the Act or these articles;
 - (c) becomes disqualified from being a director pursuant to section 202 of the Act;
 - (d) dies; or
 - (e) becomes disqualified from being a Director in terms of the provisions of the Finance Business Act No. 42 of 2011 as amended from time to time and any other law applicable to the company;
- (6) At each Annual General Meeting one third of the Directors for the time being subject to retirement by rotation shall retire by office. A Director retiring at a meeting shall retain office until the close of the meeting including any

adjournment thereof.

- (7) The directors to retire at each Annual General Meeting shall be those directors who, being subject to retirement by rotation, have been longest in office since their last election or appointment, but as between persons who became or were last re-elected directors on the same day the directors to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring director shall be eligible for re-election.
- (8) The Company at the meeting at which a director retires in the manner aforesaid shall fill the vacated office by electing a person thereto, and in default the retiring director shall be deemed to have been re-elected unless:-
- (i) at such meeting it is expressly resolved not to fill such vacated office, or a resolution for the re-election of such director is put to the meeting and lost; or
 - (ii) such director has given notice in writing to the Company that he is unwilling to be re-elected or is over the age of 70; or
 - (iii) the default is due to the contravention of the next following Article.
- (9) The Board shall have the power to authorize the payment and the entering into of any contract referred to in section 216 (1) of the Act to remunerate, compensate or provide any benefit to a Director or Former Director as provided for in the said Section.
- (10) The provisions of this Article with regard to appointment, tenure of office, removal, vacation/cessation of office, retirement and fitness and propriety are subject to the Finance Business Act Direction No: 05 of 2021 and Finance Business Act Direction No. 6 of 2021 and the Listing Rules of the Colombo Stock Exchange.
25. (1) Subject to Article 25 (4) which relates to major transactions, the acquisition or disposal of substantial assets from related parties in terms of Rule 9.14.9 of the Listing Rules of the Colombo Stock Exchange and Article 25 (5), the business and affairs of the Company shall be managed by or under the directions and 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) (a) The Board may delegate to a committee of directors or to a director or employee any of the powers which it is permitted to delegate under section 186 of the Act. Provided further that MMFSL shall be entitled to nominate an observer(s) to the Board of the Company and on such committees set up by the Company.

Power and
duties of
directors

- (b) The Board shall, in consultation with the MMSFL and IM set up a business advisory committee comprising of three (3) persons nominated by MMFSL and three (3) persons nominated by IM collectively with a view to share knowledge, ideas and experiences and implement best practices in the industry.
- (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 Company;
 - (b) no director shall act or agree to the Company acting, in a manner that contravenes any provisions of the Act or these articles;
 - (c)
 - (i) shall not act in a manner which is reckless or grossly negligent;
 - (ii) shall exercise the degree of skill and care that may reasonably be expected of a person of his knowledge and experience.
 - (d) The Board shall ensure that the Company shall comply with all best practices in corporate governance for a company of its size and obtain advice whenever required on best management practices from its auditors.
- (4) the company shall not enter in any major transaction unless such transaction is-
- (a) approved by Special Resolution;
 - (b) contingent on approval by Special Resolution;
 - (c) consented to in writing by all the shareholders of the Company; or
 - (d) a transaction which the Company is expressly authorized to enter into by a provision in its articles, which was included in it at the time the Company was incorporated.

However, the above shall not apply to

- (i) a transaction under which the Company gives or agrees to give a floating charge over all or any part of the property of the Company;
- (ii) a transaction entered in to by a receiver appointed pursuant to an instrument creating a floating charge over all or any part of the property of the Company
- (iii) A transaction entered into by an administrator or liquidator of the Company

A major transaction means –

- (a) the acquisition of or an agreement to acquire whether contingent or not, assets of a value which is greater than half the value of the assets of

- the Company before the acquisition;
- (b) the disposition of the agreement to dispose of, whether contingent or not, the whole or more than half by value of the assets of the Company;
- (c) a transaction which has or is likely to have the effect of the Company acquiring rights or interests or incurring obligations or liabilities of a value which is greater than half the value of the assets before acquisition; or
- (d) a transaction or a series of related transactions which have the purpose or effect of substantially altering the nature of the business carried on by the Company.

In this section the reference to “Assets” include property of any kind, whether corporeal or incorporeal.

- (5) Notwithstanding anything to the contrary contained in these Articles, no decision may be made by the Company on the following matters unless the Company obtains the prior written approval of MMFSL thirty (30) Business Days prior to the occurrence/taking of effect of such matter, as the case may be:
 - (a) any change in the shareholding structure or shareholding pattern (including share transfers) or material actions by the Company involving increase or reduction in the stated capital of the Company, issuance and/or redemption of debt, equity, equity linked securities or material actions involving any other securities and/or financial interests or assets of the Company or any other body corporate including actions such as buybacks, capital reduction, etc.;
 - (b) any alteration or dilution of the rights of any securities or the Company;
 - (c) any amendment, modification, or waiver of provisions of the articles of association of the Company including the objects of the Company;
 - (d) the creation of any subsidiary, whether by formation, acquisition or otherwise or the disposition, merger or winding up of any such subsidiary;
 - (e) any commencement of winding up/ dissolution proceedings including a voluntary winding up by the Company;
 - (f) any change in the method of accounting to the extent not necessitated or required by law;
 - (g) any amendment, modification or waiver of the provisions of the existing related party or less than ‘arms-length’ transactions or entering into any new related party or less than ‘arms-length’ transactions unless they are operational transactions;
 - (h) any (i) initial public offering or (ii) change in control of the Company
 - (i) filing for bankruptcy, insolvency, receivership, any agreement or compromise with its creditors;
 - (j) any form of restructuring including but not limited to merger, amalgamation, consolidation, restructuring the Company’s share capital, share repurchases, share splits, share consolidations, scrip dividends,

capitalization of reserves, etc.;

- (k) the appointment or replacement of the statutory auditors of the Company;
- (l) any change in the size of the board;
- (m) the commencement of any litigation by the Company other than in ordinary course of business;
- (n) approval and adoption of any employee stock option plan and grants of options thereunder;
- (o) appointment, removal and dismissal of any directors from the board, any members of any Key Personnel of the Company including change in roles and responsibilities;
- (p) matters related to the compensation of the board members;
- (q) change in registered office of the Company;
- (r) any declaration of dividend, including interim dividend, disposition of any earnings or surplus;
- (s) purchase of all or a substantial part of the capital stock, assets or business of any other Person;
- (t) any binding agreement to take any of the foregoing actions, or the undertaking of any of the above actions by any subsidiary or joint venture of the Company.

26. (1) A director who is interested in a transaction to which the Company is a party must disclose that interest in accordance with section 192 of the Act. Interested directors
- (2) Subject to Article 26(3) and CG Direction No. 5 of 2021, a director of the Company is interested in a transaction to which the Company is a party, 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 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
- (3) A director of the Company 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) Article 24(2) 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 Company who is interested in a transaction entered into or to be entered into by the Company shall not -
 - (a) vote on a matter relating to the transaction;
 - (b) attend the meeting of directors at the time 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; and
 - (d) do any other thing in his capacity as a director in relation to the transaction, as if he were not interested in the transaction.
- (6) A director of the Company who has information in his capacity as a director or employee of the Company 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 Company;
 - (b) as required by law; or
 - (c) in accordance with Article 26(7).
- (7) A director of the Company may disclose, make use of or act on information if -
 - (a) the director is first authorized to do so by the Board under Article 26(8); 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 Company.
- (9) A director must 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.
- (10) The Board may approve;
 - (a) the payment of any remuneration and/or the provision of other benefits by the Company to a Director for services as Director or for services rendered to the Company in any other capacity.

- (b) the payment by the Company to a Director or a former Director of compensation for loss of office.
- (c) 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.
- (11) The Company may by ordinary resolution also vote extra remuneration and / or other benefits to the Directors or to any Director as may be recommended by the Board for the performance of extra services to the Company.
- (12) Nothing in these Articles shall prevent the 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.
27. All meeting of the directors shall be convened and conducted in accordance with CG Direction No. 5 of 2021. Procedure at meetings of directors
28. (1) Subject to the provisions of the CG Direction No. 5 of 2021, the Chairman shall be appointed from amongst the members of the board of the Company. MMFSL shall be entitled to appoint the Chairman. 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 member to be chairperson of the meeting.
- (3) The Chairman of the Board shall have a casting vote in the event of an equality of votes.
29. (1) A Director or the Secretary may convene a meeting of the Board by giving notice in accordance with this article. Notice of meeting
- (2) All meetings of the board shall be held in accordance with the Companies Act, No. 7 of 2007 of Sri Lanka and articles of association of the Company. At least ten (10) days' written notice shall be given to each board member of any board meeting (whether in Sri Lanka or outside Sri Lanka) unless all the directors (or their respective alternates) approve a shorter notice period. In the case of a director residing outside Sri Lanka, notice of a board meeting shall be sent to him either by registered letter, email or fax followed by a confirmation copy by post at his usual address outside Sri Lanka also at his address, if any, in Sri Lanka unless otherwise agreed by the Parties.
- (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.

30. A meeting of the Board may be held either Methods of holding meetings
- (a) by a member 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.
31. (1) (a) Subject to the provisions in the CG Direction No. 5 of 2021, the presence of one of the directors nominated by MMFSL shall be mandatory to constitute quorum for all meetings of the directors. In the event that a board meeting is adjourned due to lack of quorum caused by the absence of a nominee director of MMFSL, such meeting shall be reconvened within seven (7) days at the same time and the same venue. If a nominee director of MMFSL, is not present at such reconvened meeting, the directors present may hold the meeting. At such meeting, the board may consider matters which require the approval of MMFSL as per the provisions of the Shareholders' Agreement, provided that any decision on such matter shall have no validity unless and until the written approval or ratification therefor is obtained from the nominee director of MMFSL. Quorum
- (b) The presence of one of the Ideal Nominee Directors shall be mandatory to constitute quorum for a meeting of directors after the Third Closing till the date of the Qualified IPO, where an action is being undertaken in relation to the matters listed out in Article 25 (5). In the event that a board meeting is adjourned due to lack of quorum caused by the absence of an Ideal Nominee Director, such meeting shall be reconvened within seven (7) days at the same time and the same venue. If an Ideal Nominee Director, is not present at such reconvened meeting, the directors present may hold the meeting and consider matters which require the approval of an Ideal Nominee Director as per the provisions of Article 25 (5), provided that any decision on such matter shall have no validity unless and until the written approval or ratification therefor is obtained from an Ideal Nominee Directors.
- (2) No business may be transacted at a meeting of directors if a quorum is not present. The attendance of any alternate director at any meeting of the Board shall be counted for the purpose of quorum.
32. (1) Every director has one vote. Voting

- (2) 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.
33. (1) The Board must ensure that minutes are kept of all proceedings at meetings of the Board and are recorded in terms of the said CG Direction No. 5 of 2021. Minutes
- (2) Minutes which have been signed by the chairperson of the meeting at which the proceeding were held, or by the chairperson of the next succeeding meeting, shall be *prima facie* evidence of the proceedings.
34. (1) In addition to physical meetings, subject to these articles of association of the Company and the Companies Act No.7 of 2007 of Sri Lanka, the Board may act by circular resolution on any matter, provided that no resolution shall be passed or deemed to be passed by the Board unless such resolution has been circulated, together with the relevant papers, if any, to all the directors and has been approved by the requisite number of the directors entitled to vote thereon. Unanimous resolution
- (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.
35. (1) The Board may, from time to time, appoint an Executive Director as the Managing Director, provided that, in the absence of a Managing Director, a Key Responsible Officer may be appointed as the Chief Executive Officer for such period and on such terms as the Board deems appropriate. The Managing Director or Chief Executive Officer shall also satisfy the Fit and Proper Assessment Criteria set out in the Listing Rules of the Colombo Stock Exchange and Finance Business Act Direction No. 06 of 2021. Managing director and other executive directors
- (2) Subject to the terms of a Managing Director's or Chief Executive Officer's appointment , the Board may at any time cancel an appointment of a director as Managing Director or the appointment of the Chief Executive Officer.
- (3) MMFSL shall be entitled to nominate the Chief Financial Officer (CFO) of the Company. MMFSL shall also be entitled to nominate the Chief Executive Officer (CEO) of the Company.
- (4) The Managing Director or the Chief Executive Officer 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 Executive Officer, 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 Managing Director of Chief Executive Officer does not prevent the exercise of the power by the Board, unless the terms of the delegation expressly provide otherwise.
- (6) Any 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 methods or any other methods of fixing remuneration.
- (7) (i) Any director except an executive director who is unable to perform duties as a director due to prolonged illness or unable to attend more than three (03) consecutive meetings due to being in abroad may with the prior approval of the Director, Department of Supervision of Non-Bank Financial Institutions under the Finance Business Act appoint any person as alternate director approved by the Board to be an alternate director of the Company to act in his place during the absence abroad for a maximum period of one (01) year from the date of appointment and the following provisions of this Article shall apply to any person so appointed.

Provided that,

- (i) existing directors cannot be appointed as alternate director to another existing director.
 - (ii) A person appointed as an alternate director to one of the directors cannot extend the role as an alternate director to another director in the same Board.
 - (iii) If an alternate director is appointed by an Independent Director, the person so appointed should meet the criteria of independence and shall satisfy the requirements relating to the minimum number of Independent Directors specified in the Listing Rules of the Colombo Stock Exchange.
 - (iv) An executive of the company cannot be appointed as an alternate director to a non-executive director
- (ii) A person appointed to be an alternate director shall not in respect of such appointment be entitled to receive any remuneration from the Company nor be required to hold any share qualification but the Board may repay an alternate director who is not a director in his own right such reasonable expenses as he may incur in attending and returning from meetings of the

Board which he is entitled to attend or as he may otherwise properly incur in or about the business of the Company or may pay such Allowance as they may think proper in respect of these expenses.

- (iii) An Alternate director shall (on his giving an address for such notice to be served upon him) be entitled to receive notices of all meetings of the Board and to attend and vote as director at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his Appointor as a Director in the absence of Such Appointor.
- (iv) An Alternate director may be appointed for a maximum period of one (01) year from the date of appointment but he shall ipso facto cease to be an Alternate director in any of the following events, that is to say
 - (a) upon the return to Sri Lanka of the director in whose place he was appointed as an alternate if the appointment was for the purpose of acting as director during the Appointers absence abroad;
 - (b) if the director in whose place he was appointed an Alternate ceases for any reason to be a director, provided that if any director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which in force immediately prior to his retirement shall continue to operate After his re-election as if he had not so retired;
 - (c) If the alternate director shall have a receiving order made against him or compounds with his creditors or is adjudicated an insolvent;
 - (d) if the alternate director be lunatic or becomes of unsound mind;
 - (e) if the appointment of the alternate director is revoked by his Appointer by a notice in writing left at the office;
 - (f) if the Board resolve that the appointment of the alternate director be terminated; provided that such termination shall not take effect until the expiration of thirty (30) days after the date of the resolution of the Board;
 - (g) is disqualified by Statute or Directions issued thereunder,
- (v) A director shall not vote on the question of the approval of an alternate director to act for him or on the question of the termination of the appointment of such an alternate director under sub-paragraph (f) of the

last foraging sub-clause of this Article and if he does so his vote shall not be counted.

36. (1) The Company must at all times have a Secretary. Secretary
- (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 determined by the Board.
- (3) The Board may remove the secretary.
- (4) The secretary may not be
- (a) the sole director of the Company; or
 - (b) a corporation, the sole director of which is the sole director of the Company.
- (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.

BORROWING POWERS

- 37 (1) The Company is authorized to raise funds for its business purposes including organic / in-organic growth, through Public Issue or Private placement/ preferential issue of shares/ securities/ debt securities including debentures, convertible or non-convertible, and list the same on Colombo Stock Exchange including issuance of unlisted debt securities.
- (2) The Company is also authorized to raise loans from banks/ financial institutions for meeting its working capital requirement and raise funds from various sources, as permitted under law.

DISTRIBUTION AND RESERVES

- 38 (1) The Company may make distributions to shareholders in accordance with section 56 of the Act subject to Article 37(2), every dividend must be approved by the Board and by an ordinary resolution of shareholders. The Board must be satisfied that the Company will immediately after the distribution, satisfy the solvency test. The directors who vote in favour of a dividend must sign a certificate of solvency to that effect. Distributions
- (2) The Board may from time to time approve the payment of an interim dividend or any fixed preferential dividend to shareholders, where that appears to be justified by the Company's profits, without the need for approval by an ordinary resolution

of shareholders.

- (3) The Board must;
 - (a) be satisfied that the Company will immediately after the dividend is paid under (1) or (2) above, satisfy the solvency test;
 - (b) ensure the directors who vote in favour of the dividend must sign a certificate of solvency their opinion the Company will satisfy the solvency test immediately after the distribution is made; and
 - (c) obtain a certificate of solvency from the auditors.
- (4) The Company is deemed to have satisfied the solvency test if -
 - (a) it is able to pay its debts as they fall 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.
- (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) Subject to the provisions of Article 37(3), 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.
- (7) Any dividend or interim dividend which may be authorized 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 member 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.
- (8) 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 shares whilst any moneys 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.
- (9) No dividend shall bear interest against the Company.
- (10) 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 that such sums shall not be payable until after the date when such dividend is payable.

- (11) Unless otherwise directed any dividend may be paid by cheque or warrant sent by post to the registered address of the shareholder 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.
- (12) All dividends unclaimed for one (01) 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.
- (13) 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.

ACCOUNTS AND AUDIT

39. (1) The Board must ensure that the Company keeps accounting records which
 - (a) correctly record and explain the Company's transactions;
 - (b) will at any time enable the financial position of the Company to be determined with reasonable accuracy;
 - (c) will enable the Board to prepare, financial statements in accordance with the Act; and
 - (d) will enable the financial statements of the Company to be readily and properly audited.
- (2) The accounting records must comply with subsection (2) section 148 of the Act.
- (3) The Board shall ensure that within three (3) 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 directors, one of whom is a director nominated by MMFSL.
- (4) At every Annual General Meeting, the Company must appoint an auditor for the

Accounting records, financial statements, audit etc.

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 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 must within three 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 168 of the Act. The Board must 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 meeting of shareholders.

LIQUIDATION AND REMOVAL FROM THE REGISTER

- 40. The shareholders may resolve to wind up the Company voluntarily by Special Resolution. Resolution to appoint liquidator

- 41. (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. Distribution of surplus assets
- (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.

MISCELLANEOUS

- 42. (1) The Company 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:- Documents to be kept by Company
 - (a) the certificate of incorporation and the articles of the Company;
 - (b) minutes of all meetings and resolutions of shareholders 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 the Act within the last ten 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 years, including annual reports prepared under article 38 (5);
 - (h) copies of all financial statements and group financial statements required to be completed under the Act for the last ten 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 Article 41 (1) 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 Company.
43. (1) The Directors and representatives of MMFSL and IM shall be permitted to visit and inspect any of the properties of the Company, to examine all its books of account, records, reports and other papers of a financial nature, to make copies and extracts therefrom, and to discuss its affairs, finances and accounts with its officers, directors, Key Personnel and independent public accountants or any of them at reasonable times.
- (2) A shareholder of the Company are entitled to inspect the following documents with written notice to the Company-
- (a) Minutes of all meetings and resolutions of shareholders
 - (b) Copies of written communications to all shareholders or to all holders of a class of shares during the preceding ten years, including annual reports, financial statements, and group financial statements
 - (c) Certificates issues by directors under the Act
 - (d) The interests register of the Company
- However,
- (a) The documents shall be available for inspection at the place at which the Company's records are kept between the hours of 9.00 a.m. and 4.00 p.m. each working day during the inspection period
 - (b) A document of which the certified copy has been provided to the person or shareholder concerned without charges need not be made available for

Rights of directors and shareholders to documents etc.

inspection.

The "inspection period" referred to above means the period commencing on the third working day after the day on which the notice of intention to inspect is served on the Company by the shareholder concerned and ending on the eight working day after the day of service.

- (3) A shareholder is also entitled 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 Company. The fee may be determined by any director or by the secretary subject to any directions from the Board.
- (4) The Company shall deliver to MMFSL and IM (a) annual audited financial statements and an annual management report within ninety (90) days of completion of each financial year; (b) monthly management accounts and management reports within 10 days of the month end and quarterly unaudited accounts within thirty days of the quarter end; (c) minutes of the Shareholder and Board meetings within seven (7) days of such meetings being held; (d) prompt notification of any event which is likely to have a material impact on the business or financials of the Company or its Affiliates immediately on the Company becoming aware thereof; and (e) all other information reasonably requested by MMFSL and IM .
- (5) The Company shall deliver to MMFSL and IM all material communication (written or otherwise) exchanged between the Company and its auditors or any government agency, promptly upon such communication taking place.

44. The Company may change its name by Special Resolution in accordance with section 8 of the Act. Name of Company

45. (1) Where the Company is required to send any document to a shareholder or to give notice of any matter to shareholder, it shall be sufficient for the Company to send the document or notice to the registered address of the shareholder by ordinary post. Any document or notice so sent is deemed to have been received by the shareholder within three working days of the posting of a properly addressed and prepaid letter containing the document or notice. Notices

- (2) A shareholder whose registered address is outside Sri Lanka may give notice which shall be in writing by letter or facsimile transceiver or electronic mail (in the English language) 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. Provided however, that in the event of a shareholder not giving such notice to the Company, the Company

shall treat the registered address of the shareholder outside Sri Lanka as his registered address.

- (3) A document may be sent or notice given by the Company to the joint holder 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 notices or document to an address to which that other person requests the Company to send such notices.
- (5) A copy of every notice or document sent to all shareholders must be sent to the auditor of the Company.
- (6) Any notice required to be given by the Company to the members or any of them and not expressly provided for by these presents shall be sufficiently given if given by advertisement. Where notice is given by an advertisement, such advertisement, shall be published in Sinhala, Tamil and English national daily newspapers.

46. (1) (i) The Company may, indemnify a director or employee or Key Personnel of the Company, for any costs incurred by him in any proceeding - Insurance and indemnity
- (a) that relates to liability for any act or omission in his capacity as a director or employee;
 - (b) in which judgment is given in his favour or in which he is acquitted or which is discontinued or in which he is granted relief under section 526 of the Act.
- (ii) The Company may indemnify a director or employee of the Company in respect of -
- (a) liability to pay any person other than the Company, for any act or omission in his capacity as a director or employee; or
 - (b) costs incurred by that director or employee in defending or settling any claim or proceeding relating to such liability not being criminal liability or in the case of a director, liability in respect of a breach of the duty specified in section 187 of the Act.
- (iii) The Company with the prior approval of the Board, may effect insurance

for a director or employee of the Company in respect of

- (a) liability not being criminal liability, for any act or omission in his capacity as a director or employee;
- (b) costs incurred by that director or employee in defending or settling any claim or proceeding relating to such liability'; or

(2) The Company may indemnify every director and secretary of the Company 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, or secretary, in which judgment is given in his favour or in which, he is acquitted or which is discontinued.

(3) The Company may indemnify a director or employee in circumstances where Article 45 (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.

47. Notwithstanding anything to the contrary contained in the Articles of Association of the Company, if the Company is listed on the Colombo Stock Exchange, the Company shall comply with the Rules of the Colombo Stock Exchange and the Central Depository System, which shall be in force from time to time.

Listed Companies to comply with Rules of the Colombo Stock Exchange and the Central Depository System

48. Notwithstanding anything to the contrary in these Articles, the provisions contained in the Finance Business Act , No. 42 of 2011, Directions and Rules issued thereunder and the requirements imposed under the Rules of Colombo Stock Exchange shall supersede these Articles at all times.

Finance Business Act No. 42 of 2011 and Finance Leasing Act No.56 of 2000 to prevail

In the event of any inconsistency between any Direction or Rule issued under the Finance Business Act and a requirement imposed under the Listing Rules of the Colombo Stock Exchange the Rule, Direction or Requirement containing the more stringent provisions shall prevail over the other.

49. (1) Each of the following events shall constitute an Event of Default on the part of a Party (“**Defaulting Party**”) if and when they occur in relation to such a Party, and on the happening of an Event of Default, the other Party (“**Non Defaulting Party**”) may serve a default notice on the Defaulting Party/ies (“**Default Notice**”)

- (a) the Defaulting Party is in breach of, or fails to observe or comply with, the obligations under Clause 2.7 (Issue of Shares), 2.9 (Issue of Shares) 2.12 (Issue of Shares), Clause 2.10 (Issue of Shares), or Clause 2.13 (Issue of Shares) of the Shareholders Agreement; or
- (b) the Defaulting Party is in breach of, or fails to observe or comply with,

Event of Default

- the obligations under Clause 7.4 (Further Conditions), 7.5 (Further Conditions) and 7.6 (Further Conditions) of the Shareholders Agreement; or
- (c) the Defaulting Party is in breach of, or fails to observe or comply with, the obligations under Clauses 8.1 to 8.7 (Obligations of the Non MMFSL Shareholders) of the Shareholders Agreement; or
 - (d) the Defaulting Party is in breach of, or fails to observe or comply with, the obligations under Clause 9.3 (Confidential Information) of the Shareholders Agreement; or
 - (e) the Defaulting Party is in breach of, or fails to observe or comply with, the obligations under Clause 12 (Additional rights of Parties) of the Shareholders Agreement; or
 - (f) the Defaulting Party is in breach of, or fails to observe or comply with, the obligations under Clause 13 (Non-Competition and Non-Solicitation) of the Shareholders Agreement; or
 - (g) the Defaulting Party is in breach of or non-compliance of any of the Representations and Warranties, of the Shareholders Agreement which breach or non-compliance, is not capable of being remedied; or
 - (h) the Defaulting Party is in breach of or non-compliance of any of the Representations and Warranties, of the Shareholders Agreement which breach or non-compliance, if capable of being remedied, is not remedied within a period of 45 (forty five) days from the date of notification in writing of such breach; or
 - (i) the Defaulting Party is in breach of or non-compliance of any of its material obligations under the Shareholders Agreement, which is proved to be directly or indirectly attributable to willful default, gross negligence or fraud of such Defaulting Party; or

Events specified in paragraphs (a) to (k) above are referred to as “**Events of Default**”.

- (2) Upon the occurrence of an Event of Default, without prejudice to any other rights or remedies available to the Non Defaulting Party under the Shareholders Agreement, under applicable laws, in equity or otherwise and including, without limitation, a right to claim damages, all rights of the Defaulting Parties under the Shareholders Agreement shall cease to have effect and the benefit of restrictions on share transfer contained in Articles 4.3 and 10 (iii) (c) to (f) above shall cease to apply to such Defaulting Parties *qua* the Non Defaulting Party, and the Non Defaulting Party shall, in its sole discretion, be entitled to either of the following recourse:

Default Put/Call Option: Within 30 (thirty) Business Days of issuance of the Default Notice, the Non Defaulting Party may notify the Defaulting Parties whether it wishes to:

(a) purchase, directly or through its Affiliates/nominee or cause the purchase of the Shares of the Defaulting Parties at a price equal to 75% (seventy-five per cent) of the fair market value (“**Discounted Value**”). The Parties hereby expressly agree that the Non Defaulting Party may freely assign its right (or any part thereof) to purchase the Shares as it may deem appropriate without any requirement on the part of such Person(s) to be a party to the Shareholders’ Agreement or to any action or claim as may be brought between the Parties; or

(b) sell to the Defaulting Parties and/or its Affiliates/ nominee, the Shares of the Non Defaulting Party at a price equal to the higher of one hundred and twenty five per cent (125%) of the fair market value or Sri Lankan Rupees Thirty One LKR 31 per Share (“**Premium Value**”).

in either case, the Shares mentioned in this Article are referred to as the “**Default Sale Shares**”). The Company and the Defaulting Parties shall co-operate with the Non Defaulting Party to enable such transfer required by the Non Defaulting Party to be duly consummated. The Parties hereby agree that the obligations of the Parties under this Article are absolute, and shall not be affected if any approval of a governmental authority required to complete the sale of Default Sale Shares has not been procured by any Party. Consequently, if the Non Defaulting Party so requires, the Defaulting Party shall cause to give effect to the provisions of this Article by causing the sale or the purchase of the Default Sale Shares in the manner contemplated in the Share Subscription, Share Purchase and Shareholders’ Agreement dated August 20, 2019.

(3) In the event that the Distributorship Agreement dated 24th November 2011 read with the addendum dated 26th September 2018 with Ideal Motors Pvt Ltd and Mahindra and Mahindra Limited, and the Joint Venture Assembly Agreement dated 21st March 2018 with Ideal Motors Pvt Ltd and Mahindra and Mahindra Limited are both terminated before the Third Closing Date, MMFSL shall be entitled to sell all of the shares held by MMFSL to the Non MMFSL Shareholders at the price paid by MMFSL for such shares with a premium of twelve percent per annum pro rated for the period during which such shares were held by MMFSL. Provided however, that if the Distributorship Agreement and the Joint Venture Assembly Agreement are both terminated after the Third Tranche Date, MMFSL shall have the right to require the Non MMFSL Shareholders to buy all shares held by MMFSL at fair market value as may be determined by an independent accounting firm to be nominated by IM and MMFSL collectively.