

**ARTICLES OF ASSOCIATION
OF
JALBIDHYUT LAGANI TATHA BIKASH COMPANY LIMITED**

Chapter-1

Preliminary

1. **Name of the Company:** The name of the Company shall be the Jalbidhyut Lagani Tatha Bikash Company Limited.
2. **Address of the Registered Office of the Company:**
The Registered Office of the Company shall be situated within the Kathmandu Valley, Kathmandu District.
3. **Definitions:**
Unless the subject or the context otherwise requires, in these Articles of Association:
 - (a) "Act" means the Companies Act, 2063 (2007).
 - (b) "Company" means the Jalbidhyut Lagani Tatha Bikash Company Limited.
 - (c) "Office" means the Company Registrar's Office.
 - (d) "Officer" means and includes the director, chief executive, manager, company secretary, liquidator or any employee of the Company assuming departmental responsibility.
 - (e) "Meeting" means the General Meeting of the Company.
 - (f) "Board" means the Board of Directors of the Company.
4. **Objectives of the Company:**
The objectives of the Company shall be as mentioned in Article 4 of the Memorandum of Association.

Chapter-2

Share Capital and Loan

5. **Face value of shares:**
The face value of a share of the Company shall be Rs. 1000.00 (one thousand rupees).
6. **Lien on shares:**
The Company shall have a lien or claim on a share registered in the name of a shareholder and dividends payable thereon, as well, for all moneys due and payable by him or her to the Company in respect of that share or for all moneys due and payable by him or her to the Company under law.
7. **In the event of allotment of different classes of shares, class of such shares and the rights, powers and restrictions attached to such shares:**
For the time being, provision has not been made in relation to shares of any other type except ordinary shares. The group structure of shares shall be as mentioned in Article 6 of the Memorandum of Association.
8. **Provisions on the approval of shareholders of a particular class while making any alteration in the rights of the shareholders who have subscribed the shares issued pursuant to Article 7:**

For the time being, various classes of shares have not been issued. If provision has to be made in relation thereto, necessary provision may be made, subject to the prevailing law, on the consent of the shareholders who subscribe various classes of shares while altering the right of the shareholders subscribing such shares. The shares to be issued for the time being have been classified into the following groups:

Group (a)

Promoter shareholder

Sub-group (a-1)

Government of Nepal, Ministry of Finance

Government of Nepal, Ministry of Energy

Government of Nepal, Ministry of Law and Justice

Government of Nepal, Office of Financial Comptroller General

Sub-group (a-2)

Employee Provident Fund

National Insurance Corporation

Citizen Investment Fund

Group (b)

Public shareholders

9. Provisions relating to preference shares:

Provision has not been made on preference shares for the time being.

10. Number of shares required to be subscribed by promoter:

A shareholder has to subscribe at least 1,000,000 ordinary shares in order to be a promoter of the Company.

11. Provisions relating to call on shares and forfeiture thereof:

As per its requirement, the Company shall make calls on shares. Other matters pertaining to the payment of calls and forfeiture of shares shall be as provided for in the Act.

12. Provisions relating to sale or pledge of shares:

- (1) The shares of the Company may be sold or pledged to another person like a movable property.
- (2) The provisions relating to the sale or pledge and transmission of shares shall be as provided in the Act.
- (3) The transfer of shares of the promoter group shall be subject to the Act, prevailing law relating to securities, Memorandum of Association and these Articles of Association.

13. Share certificate:

The share certificate to be issued by the Company shall bear the signature of two persons namely the chairperson of the Board of Director and the chief executive of the Company.

14. Provision relating to alteration in share capital:

The share capital of the Company may be altered by decision of the General Meeting, upon having adopted a resolution at the General Meeting pursuant to the Act.

15. Provision relating to buy-back of shares: (1) The Company may, with the approval of the Government of Nepal, buy back its own shares.

(2) In buying back its shares, it may buy-back up to the percentage specified by the Board of Directors, subject to the Act.

16. Provision relating to loans or debentures:

(1) The Company may, with the approval of the Board of Directors, raise necessary loans or debentures, subject to the prevailing law.

(2) The Company shall not raise debentures until the issued capital is paid up in full.

(3) Debentures issued by the Company may be converted into shares. It shall be applicable only after being endorsed by the General Meeting.

(4) If any term is to be specified in converting debentures into shares pursuant to clause (3), the Board of Directors may specify such term.

(5) The debentures of the Company may be pledged like another movable property.

(6) Other matters relating to loans or debentures shall be as provided in the Act.

(7) Provisions relating to the transfer and transmission of debentures shall be as mentioned in the Act.

17. Inspection of shareholder and debenture-holder register:

(1) If a shareholder or debenture-holder of the Company desires to inspect the shareholder or debenture-holder register of the Company, the Company shall allow him or her for the same.

Provided that the Company may, by publishing a seven-day advance notice in its notice board, close inspection of the register for a maximum period of thirty days at one time, not exceeding in the aggregate forty-five days in a year.

(2) If any one intends to obtain a copy of the shareholder register, the copy shall be provided by collecting the fees as specified by the Board of Directors except where the inspection has been closed pursuant to the proviso to clause (1).

Chapter-3

General Meeting

18. Provisions relating to the General Meeting of the Company:

(1) The General Meetings of the Company shall be as follows:

(a) Annual General Meeting, and

(b) Extra-ordinary General Meeting.

(2) The first Annual General Meeting of the Company shall be held within one month after the Company has obtained approval to commence transaction by its office;

and thereafter, the Annual General Meetings shall be held within five months after the expiration of the fiscal year.

- (3) Every shareholder shall be given a notice, at the address provided by the shareholder to the Company, indicating the venue, date and agenda of the Meeting, in advance of at least 21 days to hold the Annual General Meeting of the Company and in advance of at least 15 days to hold the Extra-ordinary General Meeting. The notice shall also be published at least once in a newspaper of national circulation.
- (4) The company secretary, and the officer designated by the Board of Directors during the absence of the company secretary, shall, as directed by the chairperson of the Board of Directors, call the General Meeting.
- (5) Where the officer referred to in clause (4) does not call the General Meeting or the meeting of the Board of Directors cannot be held for any other reason, at least fifty one percent of the Directors of the Board of Directors may make a decision to call the General Meeting, assigning the reasons for the same. A notice as referred to in clause (3) shall be given to every shareholder for holding the General Meeting. If the chairperson is present, the chairperson shall preside over the meeting of the Board of Directors and the General Meeting to be so held; and if the chairperson is not present, the meeting of the Board of Directors and the General Meeting shall be presided over by the director selected by the directors who are present thereat.
- (6) Where the General Meeting called pursuant to clause (3) or (5) cannot be held owing to the lack of quorum as referred to in Article 23, the General Meeting shall be re-called by giving a time limit of at least seven days. If such a notice is published at least once in a newspaper of national circulation in advance of at least seven days, the notice shall be deemed to have been given duly.

19. Proceedings of the General Meeting:

- (1) The chairperson of the Board shall chair the General Meeting.
- (2) In the event of absence of the chairperson of the Board, the director selected from amongst the present directors shall chair the Meeting. Provided that if any director is not present at the General Meeting, the shareholder selected by the shareholders present at the General Meeting from amongst themselves shall chair the Meeting.
- (3) Prior to the commencement of the business of the General Meeting, the legality of the Meeting shall be discussed and it has to be ascertained whether the Meeting is being attended by the required quorum or not; and where the Meeting is found attended by the required quorum, the chairperson shall permit to duly conduct the Meeting.
- (4) Each matter to be discussed at the General Meeting shall be presented in form of a resolution and each resolution shall be discussed. Unless and until one resolution is decided upon, another resolution shall not be considered except with the permission of the chairperson.
- (5) Decisions of the General Meeting shall be made by majority. Provided that in the case of a special resolution, such a resolution shall be deemed to have been adopted by the General Meeting only when the shareholders, out of the

shareholders present at the Meeting, representing seventy five percent of shares vote in favor of the resolution.

- (6) In the event of a tie at the Meeting, the chairperson shall exercise the casting vote.
- (7) Except where so permitted by the shareholders representing 67 per cent shares of the total share capital, no agenda other than that mentioned in the notice of the Meeting shall be discussed and decided.
- (8) Where votes of the shareholders are to be taken on any agenda, the same shall be taken in accordance with the procedures specified by the chairperson of the Meeting.

20. Other matters to be presented at the General Meeting:

In relation to any such matters, other than those mentioned in the Act, as to be presented at the General Meeting, they may, by a decision of the Board, be presented at the General Meeting.

21. Special resolution:

If there is any matter in relation to which a special resolution has to be adopted by the Company, other than those matters set forth in the Act, the Board may make decision to that effect and add a provision on special resolution.

22. Extra-ordinary General Meeting:

The Extra-ordinary General Meeting may be called in accordance with the Act.

23. Quorum:

No proceedings of the General Meeting shall be conducted without presence of at least three shareholders, in person or by proxy, representing at least 50 per cent shares out of the total number of allotted shares.

Provided, however, that where at least three shareholders are present, in person or by proxy, representing at least 25 per cent shares out of the total number of shares, at the General Meeting reconvened under clause (6) of Article 18, nothing shall prevent the holding of the Meeting.

25. Provisions relating to proxy vote:

- (1) A person who is competent to make contracts pursuant to the prevailing law may be appointed as a proxy.
- (2) If any shareholder who has appointed a proxy is present in person, then such proxy shall be deemed to have ipso facto be invalid.
- (3) In appointing a proxy, a shareholder of the Company has to be so appointed, and the proxy shall also be entitled to vote also in the capacity of the shareholder.
- (4) The maximum limit or ceiling that the proxy is allowed to vote shall not exceed the voting ceiling of the maximum limit of the shares of the Bank that a shareholder may subscribe.
- (5) If any shareholder has appointed any director as his or her proxy to take part in the General Meeting of the Company, such a director shall not be allowed to cast vote

in capacity of the proxy of that shareholder on the matter of his or her appointment or on any matter involving his or her interest or personal benefit.

26. Voting right:

- (1) Except as otherwise mentioned in the Act and in these Articles of Association, every shareholder shall be entitled to cast one vote at the General Meeting for every share held by him or her.
- (2) For the time being, the Company has not issued any shares with different voting rights.
- (3) The Company has not issued any shares without voting right at the General Meeting.
- (4) If, in an election to directors, voting right can be exercised with more than one vote for each share, set out on what proportion voting can be made.
- (5) If, in electing directors, appointment is to be made in any manner other than election, set out the provisions relating thereto.

26. Records of decisions of General Meeting:

- (1) The proceedings and decisions of the General Meeting shall be recorded in a separate minute book containing the matters to be set out pursuant to the Act. Such a minute book has to be signed by the chairperson of the Meeting and the company secretary. Where, for any reason, the company secretary is not present in the Meeting or the company secretary is not appointed, then the minute book has to be signed by the chairperson of the Meeting and one shareholder appointed by the Meeting.
- (2) The minute book recording the proceedings of the General Meeting as maintained pursuant to clause (1) has to be maintained in the Registered Office of the Company. Where any shareholder wishes to inspect such a book during business hours, the company secretary or other employee designated by the Company shall allow the shareholder to inspect the same.

Chapter-4

Board of Directors

27. Formation of Board of Directors, number and tenure of directors:

- (1) The appointment, nomination or election of the directors shall be made by the Annual General Meeting. Provided that the appointment of the independent director and professional director shall be made by the Annual General Meeting, on the recommendation of the Board.
- (2) The Board of Directors of the Company shall comprise eight members. The mode of its formation shall be as follows:
 - (a) Five persons from amongst the promoter shareholders
 - (1) Two persons from the Ministry of Finance,
 - (2) One person from the Ministry of Energy,

- (3) One person on the rotational basis (secretary or joint secretary) from the Ministry of Law and Justice and Office of Financial Comptroller General,
 - (4) One person on the rotational basis, and based on the share ownership, from the Employee Provident Fund, National Insurance Corporation and Citizen Investment Fund.
- (b) One person from the public shareholders
 - (c) One independent director (chartered accountant or financial analyst or management expert)
 - (d) One professional expert (hydropower expert).
- (3) The tenure of the directors shall be four years.
 - (4) Where the post of any director falls vacant for any reason prior to the holding of the Annual General Meeting, the Director shall be appointed for the remainder of tenure through the same process as was followed to appoint the previous Director. Where the post of any Director falls vacant in the meantime, the tenure of the Director newly appointed shall be the remainder of the tenure of the Director whose post has so fallen vacant.

Provided that where the post of any director appointed by the Annual General Meeting falls vacant for any reason, the Board of Directors shall appoint a director to the vacant post until another General Meeting is held.
 - (5) In appointing a director, a body corporate may also appoint an alternate director.
 - (6) The Board of Directors may frame an election manual for the election to the directors.
 - (7) A person designated by the Government of Nepal from amongst the directors shall be the chairperson of the Board.
 - (8) The first Board of Directors of the Company shall consist of the following directors pending the holding of the first Annual General Meeting:
 - (a) Secretary, Government of Nepal, Ministry of Energy,
 - (b) Deputy Governor, Nepal Rastra Bank,
 - (c) Joint Secretary, Government of Nepal, Ministry of Finance,
 - (d) Joint Secretary, Government of Nepal, Ministry of Law and Justice,
 - (e) Administrator, Employee Provident Fund,
 - (f) Joint Financial Comptroller, Office of Financial Comptroller General.

28. Minimum number of shares required to be subscribed to become Director:

A shareholder has to subscribe at least one share in his or her name in order to be appointed, nominated or elected as a Director of the Company.

Provided, however, that this provision shall not be applicable to an independent director, expert director and a director who represents a corporate body.

29 Mention, if any professional expert other than shareholder is to be appointed as director, the number, tenure, term of reference, qualification and appointment procedure of such a director:

- (1) The Company shall have one independent director and one professional director other than shareholders. Out of these two, one's educational qualification shall be having obtained master's degree in first class in economics or management or the chartered accountancy degree of master's level, and the other's educational qualification shall be having obtained master's degree in a subject related to hydropower. In relation to the other qualification of them, in the case of the financial analyst, he or she should be a person who has consistently been engaged in his or her profession for at least fifteen years and demonstrated high morality and competency, and in the case of the hydro-power analyst, he or she should be a person who has experience of at least 15 years in the generation, transmission or distribution of hydropower and a hydropower expert who has successfully discharged work as the chief of project and demonstrated high morality and competency.
- (2) For the appointment of the independent and professional directors, the Board of Directors shall select the names of qualified persons and submit the same to the General Meeting for appointment. In so preparing the name-list, the Board shall prepare a list of qualified persons in a number that is at least two-fold of the number of director to be appointed and present it at the General Meeting for appointment as the independent or expert director.
- (3) The appointment of independent or professional director shall be made from amongst the persons mentioned in the resolution presented at the General Meeting pursuant to clause (2).
- (4) The functions, duties and powers of the independent or professional director shall be the same as those of the other directors.

30. Matter whether one can be re-appointed as director or not:

A person who has once become a director may be re-appointed as the director.

31. To set out special provision, if any, to be made in relation to appointment of director: In appoint directors to the Board, appointment shall be made as follows in a manner to have group representation.

- (a) The promoter group "a" shall have two sub-groups. Five directors consisting of four persons from sub-group a-1 and one from sub-group a-2 shall be nominated or elected through mutual understanding. If election is to be held failing mutual understanding in any sub-group, only the promoter shareholders of that sub-group shall have the right vote in that sub-group.
- (b) One person elected by the public shareholders of group "b".

32. Provisions relating to remuneration, allowances and facilities of director:

- (1) The remuneration, meeting allowances, daily allowances and other facilities of the directors shall be as prescribed by the General Meeting.

- (2) Notwithstanding anything contained in clause (1), a meeting allowance of Rs. 4,000.00 (four thousand rupees) per meeting shall be provided to the directors pending the holding of the first General Meeting.

Provided, however, that the remuneration, allowances and facilities once so prescribed cannot be altered until the first General Meeting is held.

- (3) No director shall obtain any personal benefit or facility other than that set forth in these Articles of Association, and if any director is found to have obtained such benefit or facility, the director shall be deemed to have committed the offense under the Act and such amount shall be recovered from him or her.

33. Functions, duties and powers of the Board of Directors:

- (1) The functions, duties and powers of the Board shall be as provided in the Act.
- (2) The Board shall frame and enforce personnel bye-laws, financial administration bye-laws, investment bye-laws and loan investment policy.

34. Provision relating to delegation of powers:

- (1) Subject to the Act, the Board may delegate any or all of its powers to any director, officer, sub-committee of the Company.
- (2) Subject to the Act and the Memorandum of Association, the Board may delegate powers as specifying the subject, person, committee, sub-committee.

35. Provision relating to managing director:

- (1) The Company has no provision of managing director.
- (2) No chairperson or member of the Board may be appointed to act as the chief executive of the Company.

36. Provision relating to chief executive officer:

- (1) Subject to the Act, Memorandum of Association of the Company, principle provisions on the operation of the Company and Articles of Association, the Board shall appoint the chief executive officer through open competition, and the Board may, if it so considers necessary, also form a selection committee for that purpose.
- (2) The chief executive officer shall be the chief administrator of the Company, and his or her qualification shall be as follows:
 - (a) Having completed the age of thirty five years,
 - (b) Having obtained at least master's degree in first class in management, commerce or economics, and gained at least seven years of experience in the executive level in the banking/financial sector,
 - (c) Having not been disqualified by the prevailing law.
- (3) The remuneration and other terms of service of the chief executive officer shall be as specified by the Board or contract.
- (4) The functions, duties and powers of the chief executive officer shall be as follows:

- (a) To implement the decisions of the Board, and look after and control the functions, activities and transactions of the Company, subject to the Act, Memorandum of Association and these Articles of Association,
 - (b) To prepare annual budget and action plan of the Company and submit the same to the Board for approval,
 - (c) To make required human resources, subject to the bye-laws of the Company,
 - (d) To implement, or cause to be implemented, the decisions made by the Board and the General Meeting,
 - (e) Subject to the Act, Memorandum of Association and these Articles of Association, to timely submit such details, documents, decisions etc. as required to be submitted by the Company to any body,
 - (f) To perform such other functions as prescribed in relation to the operation of the Company.
 - (g) The chief executive officer shall be accountable to the Board for his or her acts.
 - (h) The chief executive officer shall, each year, make a work performance agreement with the Board.
- (5) The Board of Directors shall form one management group until the chief executive officer is appointed. The management group shall comprise three officers deputed by the Government of Nepal from amongst first class or second class officers of the Government of Nepal or officers of at least tenth level or first class of bodies corporate owned by the Government of Nepal. The management group shall act as the chief executive officer in a manner to be accountable to the Board of Directors. The term of the management group shall be six months. Provided that if the Board of Directors considers it essential, it may extend the term of the management group for three months. The functions to be discharged by the management group shall be as specified by the Board of Directors, subject to the prevailing law.

37. Matter relating to officer calling the meeting of the Board of Directors:

The company secretary shall, as ordered by the chairperson, convene the meeting of the Board. Where the company secretary is not appointed or is absent, the chief executive officer may convene the meeting of the Board.

38. Provisions relating to meeting of the Board of Directors:

- (1) The Board shall meet at least twelve times a year, with an interval between the two meetings of the Board not exceeding two months. The company secretary shall, as directed by the chairperson of the Board of Directors, call the meeting of the Board of Directors. Where the meeting is not so called, and at least 25 percent of the total number of directors so demand, such an officer has to convene the meeting of the Board of Directors within fifteen days. Where the meeting is not called even on such demand, at least 25 percent of the total number of directors may call the meeting of the Board of Directors, setting out the agenda, time and venue of the meeting. In so calling the meeting, a notice of the meeting as referred to in clause (2) has to be given to other directors.

(2) The notice of meeting of the Board of Directors may be given in writing to the address mentioned by the director or through electronic communication media.

(3) The directors have to be present in person at the meetings of the Board.

In cases where a director representing a body corporate appointing an alternate director is absent, his or her alternate director may be present. However, both the director and the alternate director may not appear at the same time at the meeting of the meeting of the Board of Directors.

(4) No meeting of the Board of Directors shall be held unless at least 51 percent directors of the total number of directors are present.

Provided, however, that where the meeting of the Board of Directors cannot be held because of quorum, the meeting may be called another time by giving a notice of at least three days. If even such meeting is not attended by the quorum, the proceedings and decisions carried out and made by the present directors shall be valid.

(5) The chairperson of the Board of Directors shall preside over the meeting of the Board of Directors. In the event of absence of the chairperson, the director selected by the directors present at the meeting from amongst themselves shall preside over the meeting.

(6) The decision of majority vote shall be valid at the meeting of the Board of Directors; and in the event of a tie, the chairperson may exercise the casting vote.

Provided that no director shall be entitled to take part in or cast vote on any discussions to be held at the meeting of the Board of Directors on any matter in which he or she has personal concern or interest.

(7) Any director who is disagreed with any decision of any meeting of the Board of Directors may write down or put forward his or her disagreement.

(8) Notwithstanding anything contained elsewhere in these Articles of Association, where all members of the Board of Directors agree in writing in respect of any act, which the Board of Directors may carry out, such act can be carried out without holding a meeting, enclosing such agreement with the minutes book. The agreement so made shall be considered as a decision of the meeting of the Board of Directors.

39. Record of decisions of the Board of Directors:

(1) The minutes of discussions held and decisions taken at the meetings of the Board of Directors and the names of the directors presented at the meeting shall be recorded in a separate book, and records shall have to be signed by all directors presented at the meeting.

Provided that any decision shall not be considered to be invalid merely by the reason that any director present at the meeting has not signed the minutes.

(2) Any shareholder may inspect the decisions of the Company during office hours.

Chapter-5

Books of Accounts, Accounts and Audit

40. Accounts, books of accounts and audit of the Company:

- (1) The accounts, books of accounts, ledgers, records of accounts of the Company shall be prepared and updated in double book keeping accounting system based on widely recognized principles as per the accounting standards set by the competent authority in such a manner as to actually and clearly reflect the transactions; and such accounts shall have to be maintained in the Registered Office of the Company.
- (2) The accounts and books of accounts required to be maintained by the Company shall be so maintained in an updated manner as to clearly reflect the day-to-day transactions.
- (3) The Company shall get its accounts audited in accordance with the Act.
- (4) The Annual General Meeting shall appoint an auditor in accordance with the Act. The name of the auditor shall be forwarded to the Office within fifteen day of such appointment.

Provided that the Board of Directors shall appoint the auditor prior to the holding of the first General Meeting.

- (5) The auditor appointed pursuant to clause (4) shall certify the books of accounts and accounts audited by him or her and the balance sheet, profit and loss account and cash flow of the Company and submit his or her report to the Office and the Company, addressing to the authority appointing him. A copy of such a report shall also be sent to each shareholder and the Office.
 - (6) Other provisions relating to audit shall be as per the Act and the prevailing law.
 - (7) Where a shareholder wishes to inspect the updated accounts of the Company, it shall promptly allow him or her to inspect the same during office hours.
41. **Provision relating to audit committee:** The Board may provide for an audit committee and specify the functions, duties and powers of the committee.

Chapter-6

Miscellaneous

42. Provisions relating to dividends:

- (1) Dividends have to be distributed within forty-five days after the decision made to distribute the same.
- (2) In the event of failure to distribute dividends pursuant to clause (1), interest on dividends at the rate of ten percent shall also be added to the dividends and provided accordingly.

- (3) Notwithstanding anything contained elsewhere in these Articles of Association, the Company may withhold dividends payable to a shareholder who has failed to pay a call on the shares held by him or her, to that extent.
- 43. Notice to be given to and received from shareholder, debenture-holder, director and officer:**
- Any information or notice to be given by the Company to its shareholders, debenture-holders, directors and officers and by such shareholders, debenture-holders, directors and officers to the Company may be provided through electronic or any other means.
- 44. Company secretary:**
- The Board of Directors shall appoint a company secretary. The chief executive officer shall act as the company secretary until the company secretary is so appointed.
- 45. Seal of Company:**
- (1) The seal of the Company shall be in custody of the chief executive officer; and the seal shall be used for the purpose of the transactions of the Company.
- (2) Where any liability is created on the Company from the unauthorized use of the seal of the Company, the Company shall recover the amounts of such liability from the person having custody of the seal.
- 46. Provisions relating to duplicate fees:**
- (1) Where any shareholder or any other concerned person demands for duplicates of the Company's Memorandum of Association and Articles of Association, annual financial statements, audit report, return of directors, shareholder register, registration certificate or any document submitted by the Company to the Office, duplicates thereof shall be issued by collecting the fees of Rs. 10.00 per page.
- (2) A fee of Rs. 10.00 per page shall be chargeable to issue duplicates of the minutes of proceedings of the General Meeting.
- (3) A fee of Rs. 50.00 per page shall be chargeable to issue duplicates of the minutes of proceedings of the Board of Directors.
- (4) A fee of Rs. 100.00 per page shall be chargeable to issue duplicates of share certificates.
- (5) A fee of Rs. 10.00 per page shall be chargeable to issue duplicates of the shareholder or debenture holder register.
- 47. Provisions relating to merger:**
- (1) Where it is required to merge any company to the Company or the Company to any other company, the Company may merge another company to it or get itself merged to another company, after having adopted a special resolution at its General Meeting pursuant to the Act.
- (2) In the case of a shareholder who does not agree with the alteration in, transfer of shares or sale of all assets of the Company at the time of merger of the Company to another company, any special provision may be made.
- 48. Liquidation of the Company:**

- (1) If the General Meeting of the Company thinks necessary, it may liquidate the Company by adopting a special resolution to that effect, subject to the prevailing law.
- (2) While adopting a resolution of liquidation pursuant to clause (1), the General Meeting shall appoint one or more liquidators for the purpose of liquidation and one or more auditors for the examination of the accounts of the Company. The remuneration of the liquidator and the auditor so appointed shall be as prescribed by the General Meeting.
- (3) The liquidator and the auditor appointed pursuant to clause (2) shall carry out acts relating to liquidation of the Company.
- (4) Other provisions relating to the liquidation of the Company shall be as per the Act and other prevailing law.

49. Any matter required by the prevailing law to be mentioned in the Articles of Association of a company carrying on any specific business:

- (1) The Company is incorporated as a public limited company with the Company Registrar's Office under the Companies Act, and shall do necessary transaction only for the investment in and development of the generation, transmission or distribution of hydropower under the Act.
- (2) The Board may, as required, frame and enforce procedures, manuals and policies for the implementation of the objectives of the Act and smooth operation of the transactions of the Company.
- (3) The Company may obtain management advice from any organization or other competent person for the operation of transactions in the power sector and the development of hydro-power.
- (4) The Company shall maintain a risk bearing fund in the proportion as prescribed by the prevailing law in order to bear the risks relating to the off-balance sheet transaction and its total assets.
- (5) Subject to the Act, Memorandum of Association and Articles of Association of the Company, the Company shall appoint two deputy general managers namely one having special qualification in hydropower and one having special qualification in the banking sector, and the Board may, if it considers necessary, also form a selection committee for that purpose. The minimum educational qualification of the deputy general manager (banking) shall be having obtained master's degree in first class in commerce, management, banking or the chartered accountancy degree of master's level, and in the case of the other qualification, he or she has gained at least 15 years of experience in the banking sector, and out of that, having gained working experience in the departmental head of a commercial bank or a post higher than that, and demonstrated high morality and competency. The minimum educational qualification of the deputy general manager (hydropower) shall be having obtained master's degree in first class in hydro-power related engineering subject, and in the case of the other qualification, having been as the chief of project in the generation, transmission or distribution of hydropower and successfully discharged work and demonstrated high morality and competency.

- (6) The remuneration and other terms of service of the deputy general manager shall be as specified by the Board or service contract.
- (7) By making management agreement with a native or foreign organization, expert or other competent person as a fund manager based on appropriate terms, the responsibility of operation or management of the Company may be handed over to the fund manager.
- (8) Other provisions relating to employees shall be as specified by the personnel by-laws or the Board of Directors.

50. Other necessary matters:

- (1) The financial year of the Company shall be from the first day of the month of Shrawan to the last day of the month of Ashad.
- (2) The right of trade union shall not be provided in the Company.

51. Provision on amendment to the Articles of Association:

If the Company has to make any amendment to these Articles of Association, it shall adopt a special resolution to that effect at the General Meeting; and the Articles of Association shall be deemed to have been amended only after such resolution has been recorded by the Office.

52. Articles of Association to be ineffective to the extent of inconsistency:

If any Article of these Articles of Association is inconsistent with the Act and the prevailing law, such Article shall *ipso facto* be ineffective to the extent of such inconsistency.

53. Number of shares which the promoters have undertaken to subscribe for the time being, and declaration by them:

We, the promoters of the Jalbidhyut Lagani Tatha Bikash Company Limited, have agreed to incorporate and operate the Company in accordance with the prevailing law. We have signed these Articles of Association, covenanting and declaring that our respective name, address and signature mentioned in and affixed to these Articles of Association and all other details including those on the shares which we have undertaken to subscribe and on the witnesses mentioned herein are true and correct; that we agree to bear all the liabilities that may arise after the registration of this Company based on the contents mentioned herein; and that we agree to bear the punishment to be imposed pursuant to the prevailing law if the declaration made by us under this Article is held to be false.

Done on Sunday, the 26th day of the month of Ashad of the year 2068 (July 10, 2011).