

# **SCHEDULE**

## **SCHEDULE -I**

**(See Section 2, 17, 18, 86, 367)**

### **REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES**

#### **Preliminary**

1. In these regulations, unless the context otherwise requires-

- (a) expressions defined in the Companies Act, 1994 shall have the meanings so defined.
- (b) words importing the singular shall include the plural, and vice versa:
- (c) words importing the masculine gender shall be taken to include females; and
- (d) words importing persons shall include bodies corporate.

#### **Business**

2. In the case of commencement of the business of the company, the directors shall comply with the restrictions on such commencement imposed by section 150 of the Companies, Act, 1994 so far as those restrictions are binding upon the company.

#### **Shares**

3. Subject to the provisions, if any, in that behalf of the memorandum of association of the company, and without prejudice to any special right previously conferred on the holders of existing shares, the company may, from time to time, by special resolution determine the following matters:-

- (a) issue of preference shares, deferred shares or shares having special right;
- (b) restrictions that may be imposed with regard to dividend, voting, return of share capital or any other matter;
- (c) issue of any preference share on the terms that it is liable to be redeemed or that it is so liable at the option of the company.

4. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any such class, unless otherwise provided by the terms of issue the shares of that class, may, subject to the provisions of section 71 of the Companies Act, 1994, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

- (2) To every separate general meeting mentioned in sub-regulation (1) shall, mutatis mutandis, apply, and to constitute a quorum in such meeting presence of two persons

who hold or represent by proxy at least one third of the issued shares of that class, shall be necessary.

5. No share shall be offered to the public for subscription except upon the terms that the amount payable on application shall be at least five percent of the nominal value of the share; and the Directors shall, as regards any allotment of shares, duly comply with such of the provisions of section 148 and 151 of the Companies Act, 1994, as may be applicable thereto.

6. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon:

Provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate; and delivery of a certificate for one or more shares to one of several joint holders shall be sufficient delivery to all.

7. If a share certificate is defaced, lost or destroyed it may be renewed on payment of such fee, if any, not exceeding five taka, and on such terms, if any, as to evidence and indemnity as the directors think fit.

8. Except to the extent allowed by section 58 of the Companies Act, 1994 no part of the funds of the company shall be employed in the purchase of or in loans upon the security of, the company's shares.

### **Lien**

9. (1) The Company shall have a lien on the following shares and also on all dividends payable thereon namely:-

- (a) all shares, other fully paid up share, for all moneys, whether presently payable or not, called or payable at a fixed time in respect of that share; and
- (b) all shares, other than fully paid up shares, standing registered in the name of a single person, for all moneys presently payable by him or his estate to the company.

(2) The directors may at any time declare any share specified in sub-resolution (1) to be wholly or partly exempt from the provision of this Regulation.

10. The company may sell, in such manner as the directors think fit, any share on which the company has a lien:

Provided that no sale shall be made unless some money in respect of which the lien exists is payable in cash and a period of fourteen days had expired after a written notice, stating and demanding such money, has been served upon the holder of the share registered for the time being or upon the person entitled to the share by reason of the former's death or insolvency.

11. (1) The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall, subject to a like lien for sums not presently payable as existed upon the shares prior to the sale, be paid to the persons entitled to the shares at the date of the sale.

(2) The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase-money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceeding in reference to the sale.

### **Call on shares**

12. The directors may from time to time make calls upon the members in respect of any money unpaid on their shares, provided that no call shall exceed one fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each

member shall, subject to receiving at least fourteen day's notice specifying the time or times of payment, pay to the company at the time or times so specified the amount called on his shares.

13. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the persons from whom the sum is due shall pay interest upon the sum at the rate of five percent per annum from the day appointed for the payment thereof to the time of the actual payment but the directors shall be at liberty to waive payment of that interest wholly or in part.

15. The provisions of these regulations as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share or by way of premium.

16. The directors may make arrangements on the issue of shares for difference between the holders in the amount of calls to be paid and in the times of payment.

17. The directors may, at their option, receive from any member willing to advance all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may, until at such rate not exceeding, without the sanction of the company in general meeting, six percent, as may be agreed upon between the member paying the sum in advance and the directors.

### **Transfer and Transmission of Shares**

18. The instrument of transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

19. Shares in the company shall be transferred in the following form or in a similar form generally used for this purpose or in any other similar form approved by the directors:

#### **SHARE TRANSFER FORM**

(a) Full name(s) and address (es) of Transferor

.....  
.....

(b) Full name(s) and address (es) of Transferee

.....  
.....

(c) Mode of Transfer (Sale, Gift etc.)

.....

Total number of the shares transferred

.....  
.....

(e) Serial Nos. of the shares

.....  
 .....  
 .....

(f) Consideration of transfer

.....  
 .....

I we (Transferor's) .....  
 Name and address)

..... received as

consideration.....(taka or  
 otherwise) from you (Transferee)

.....(Name  
 and address) for .....  
 the shares bearing SL Nos..... of

..... Co. Ltd.  
 and hereby transferred those shares to you by way of.....  
 (Sale or otherwise)

The conditions which were, in relation to those shares, applicable to the the transferor immediately before the transfer shall be applicable to the transferee and the transferee or his executor/administrator/assignee shall hold the shares subject to the said conditions.

We i.e. both the transferor and the transferee on being agreed to the above conditions hereby execute this deed on the..... day of ..... (month) of the year .....

(Transferor)

(Transferee)

Witness to Transfer

Witness to Transfer

Signature

Signature

Name:

Name

Address:

Address:

Date:

Date:

20. (I) The directors may decline to register any transfer of shares not being fully paid up shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has lien.

(2) The directors may suspend the registration of transfer during the fourteen days immediately preceding the ordinary general meeting in each year.

(3) The directors may decline to recognise any instrument of transfer or refuse to register such transfer, unless-

(a) a fee not exceeding taka ten as may be fixed by the company is paid to the company in respect thereof,

(b) the instrument of transfer is accompanied by the certificate of share to which it relates, and

- (c) such evidence as the directors may reasonably require to show the right of the transferor to make the transfer has been furnished.
- (4) If the directors refuse to register or decline to recognise the transfer of any shares, they shall, within two months after the date on which the transfer was lodged with the company, send to the transferee and transferor notice of the refusal or decline.
21. The executors or administrators of a deceased sole holder of a share shall be the only persons recognised by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivor or survivors, or the executors or administrators of the deceased survivor or survivors shall be the only person recognised by the company as having any title to the share.
22. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or to make such transfer of the share as the deceased or insolvent person could have made.
- (2) Notwithstanding the provisions of sub-regulation (1) the directors shall have the same right to decline to recognise the transfer or to refuse or suspend the registration of the transfer as they could have done under regulation 20, had the transfer been made by the deceased or insolvent shareholder before his death or insolvency.
23. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it exercise any right conferred by membership in relation to meeting of the company.

### **Forfeiture of Shares**

24. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the directors may, at any time thereafter as any part of such call or installment remain unpaid serve a notice on him requiring payment, of so much of the call or installment as is unpaid, together with any interest which may have accrued.
25. The notice shall name a further day, not earlier than the expiration of fourteen days from the date of the notice, on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment or before the time so appointed, the shares in respect of which the call was made will be liable to be forfeited.
26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter but before the payment required by the notice has been made be forfeited by a resolution of the directors to that effect.
27. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit and at any time before a sale or disposition of the forfeiture may be cancelled on such terms as the directors think fit.
28. A person whose share have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the company all moneys which at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company received payment in full of the nominal amount of the shares.
29. (1) A duly verified declaration in writing that the declarant is a director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration.

shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

- (2) Such declaration, and the receipt of the company for the consideration if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share.
- (3) The person who becomes the shareholder under sub-regulation (2) shall be registered as the holder of the share and shall not be bound to see to the application of the purchase-money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

30. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same has been payable by virtue of a call duly made and notified.

### **Conversion of Shares into Stock**

31. The directors may, with the sanction of the company previously given in general meeting convert any paid up shares into stock, and may with the like sanction reconvert any stock into paid up shares of any denomination.

32. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same conditions and regulations, as and subject to which, the shares from which the stock arose might, previous to conversion, have been transferred, or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of the transferable stock not exceeding the nominal value of the shares from which the stock arose, and may also prohibit or restrict the transfer of such stock.

33. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose but no such privileges, except participation in the dividends and profits of the company, shall be conferred by any such aliquot part of stock as would not, if existing in shares have conferred that privileges or advantages.

34. Such of the regulations of the company, other than those relating to share warrants, as are applicable to paid up shares, shall apply to stock, and the words "shares" and "share-holder" occurring therein shall include "stock" and "stock-holder".

### **Share Warrant**

35. (I) The company may issue share-warrants, and accordingly directors may, in their discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence, if any, as the directors may from time to time require as to the identity of the person signing the request, and on receiving the certificate, if any of the share and the amount the stamp-duty on the warrants and such fee as the directors may, from time to time require, issue under the company's seal a warrant, duly stamped, stating that the bearer of the warrant is entitled to the shares therein specified.

- (2) Where such warrant is issued, it shall be stated therein that dividends or other moneys on the shares specified in the warrant may be paid by way of coupon or otherwise.

36. A share warrant shall entitle the bearer to the share included in it, and the share shall be transferred by the delivery of the share warrant and the provisions of the regulations of the company with respect to transfer and transmission of share shall not apply thereon.



37. The bearer of a share-warrant shall on surrender of the warrant to the company for cancellation and on payment of such sum as the directors may from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

38. The bearer of a share-warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiration of the day preceding the day of deposit, as if his name were inserted in the register of members as the holders of the shares included in this share-warrant but not more than one person shall be recognised as depositor of the share-warrant and the company shall, on two days written notice, return the deposited share-warrant to the depositor.

39. Subject as herein otherwise expressly provided no person shall, as bearer of a share-warrant, sign a requisition for calling meeting of the company, or attend, or vote or exercise any other privilege of a member at a meeting of the company, or be entitled to receive any notice from the company; but the bearer of a share-warrant shall be entitled in all other respects to the same privilege and advantages as if he were named in the register of members as the holder of a share-warrant shall be entitled in all other respects to the same privilege and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he were a member of the company.

40. The directors may, from time to time, make rules as to the terms on which, if they, shall think fit, a new share-warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

### **Alteration of Capital**

41. The directors may, with the sanctions of the company in general meeting increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

42. Subject to any resolution sanctioning the increase of share capital, all new shares shall, before issue be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer if not accepted, will be deemed to be declined, and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which, by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares, cannot, in the opinion of the directors, be conveniently offered under this Regulation.

43. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

44. The company may by ordinary resolution-

- (a) consolidate and divide its share capital into shares of larger amount than its existing shares;
- (b) by sub-division of its existing shares or any or then, divided the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of

association subject, nevertheless, to the provision of paragraph (d) of sub-section (1) of section 53 of the Companies Act, 1994;

- (c) cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

45. The company may by special resolution, reduce its share capital in any manner and with, and subject to, any incident authorised and consent required by law.

### **General Meetings**

46. The statutory general meeting of the company shall be held within the period required by section 83 of the Companies Act, 1994.

47. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter once at least in every year at such time not being more than fifteen months after the holding of the last preceding general meeting and at such place as may be prescribed by the company in general meeting.

48. The above mentioned general meeting shall be called ordinary meetings; and all other general meetings shall be called extraordinary.

49. The directors may, whenever they think fit, call an extraordinary general meeting and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 84 of the Companies Act, 1994. If at any time there are not within Bangladesh sufficient directors capable of acting to form a quorum, any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.

### **Proceedings at General Meeting**

50. Subject to the provisions of sub-section (2) of section 87 of the Companies Act, 1994 relating to special resolution, fourteen days notice shall be served; in this fourteen days the day on which the notice is served or deemed to be served shall be excluded but the day for which notice is given shall be included; in the notice the place the day and the hour of meeting and, in case of special business, the general nature of that business shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting to such persons as are under the Companies Act, 1994, or the regulations of the company, entitled to receive such notice from the company but the accidental omission to give notice to or the non receipt of notice by any members shall not invalidate the proceedings at any general meeting.

51. All business shall be called special business that are transacted at an extraordinary meeting but the sanctioning of a dividend the consideration of the the accounts balance-sheets and the ordinary report of the directors, and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors shall not be called special business.

52. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to transact business and save as herein otherwise provided, two members in the case of a private company and five members in the case of any other company personally present shall be a quorum.

53. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and if at



the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

54. The Board of Directors shall select one of their members as its Chairman who shall preside at every general meeting of the Company:

Provided that the Chairman and the managing director shall not be the same person.

55. If at any meeting the Chairman is not present within thirty minutes after the time appointed for holding the meeting, the members present shall choose some one of their number to be the chairman.

56. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an adjournment or of the business to be transacted at an adjourned meeting.

57. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded in accordance with the provisions of clause (c) of sub-section (1) of section 85 of the Companies Act, 1994, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against, that resolution.

58. If a poll is demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

59. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

60. A poll demanded on the election of Chairman or on question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

### **Votes of Members**

61. On a show of hands every member present in person shall have one vote. On a poll, every member shall have one vote in respect of each share or each hundred taka of stock held by him.

62. In the case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

63. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote whether on a show of hands or on poll, by his committee or other legal guardian, and any such committee or guardian may vote by proxy.

64. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

65. On a poll, votes may be given either personally or by proxy, by a member company shall not vote by proxy so long a resolution of its directors in accordance with provisions of section 86 of the Companies Act, 1994, is in force.

66. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a body corporate either under the common seal or under the hand of an officer or attorney so authorised.

67. the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall be treated as valid.

68. An instrument appointing a proxy may be in the following form, or in any other similar form which the directors shall approve:-

.....Company, Limited

"I of in the district of being a member of the

Company Limited hereby appointed ..... Address

.....  
as any proxy to vote for me and on my behalf at the ordinary/extraordinary general meeting of the company to be held on the..... day of .....  
and at any adjournment thereof."

(Please mention-membership No. or other identity No. and share No.)

.....  
(Signature with date)

### **Directors**

69. The number of directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

70. Subject to the provisions, if any, in any law for the time being in force, the remuneration of the directors shall from time to time be determined by the company in general meeting.

71. The qualification of a director shall be the holding of at least one share in the company, and it shall be his duty to comply with the provisions of section 97 of the Companies Act, 1994.

### **Powers and Duties of Directors**

72. The business of the company shall be managed by the directors, who may pay all expenses incurred in forming and registering the company, and may exercise all such powers of the company as are not, by the Companies Act, 1994 or by these regulations, required to be exercised by the company in general meeting subject nevertheless to any of these regulations, to the provisions of the said Act, and to such provisions being not inconsistent with the aforesaid regulations, as may be prescribed by the company in general meeting; but no provision made by the company in general meeting shall invalidate any prior Act of the directors which would have been valid if that provision had not been made.

73. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration, whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another as they may think fit; and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the time of retirement of directors, but his appointment shall be subject to determination ipso facto if he ceases for any cause to be a director, or if the company in general meeting resolve that his tenure of the office of managing director or manager be determined.

74. The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company otherwise than by the issue of share capital, shall not at any time exceed the issued share capital of the company without the sanction of the company in general meeting.

75. The directors shall duly comply with the provisions of the Companies Act, 1994, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the company or created by it, and keeping a register of the directors, and sending to the Register an annual list of members and a summary of particulars relating thereto and notice of any consolidation or increase of share capital or conversion of shares into stock, and copies of special resolutions and a copy of the registrar of directors and notifications of any changes therein.

76. (I) The directors shall cause minutes to be made in books provided for the purpose-

- (a) of all appointments of officers made by the directors;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) of all resolutions and proceedings at all meetings of the company and of the directors, and of committees of directors.

(2) Every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

### **The Seal**

77. The common seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of at least two directors including the managing director or the chief executive by whatever name called and of the secretary or such other person as the directors may appoint for the purpose, and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

78. The office of a director shall be vacated if the director-

- (a) fails to obtain within the time specified in sub-section (1) of section 97 of the Companies Act, 1994 or at any time thereafter ceases to hold, the share qualification necessary for his appointment; or
- (b) is found to be of unsound mind by a court of competent jurisdiction; or
- (c) is adjudged insolvent; or
- (d) fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made; or
- (e) without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of the managing director or manager, or legal or Technical adviser or banker; or
- (f) absents himself from three consecutive meetings of the directors without leave of absence from the Board of Directors; or

- (g) accepts a loan from the Company; or
- (h) is concerned or participates in the profits of any contract with the company; or
- (i) is punished with imprisonment for a term exceeding six months:

Provided that no director shall vacate his office only, by reason of his being member of any other company which has entered into contracts with or done a work for such other company of which he is director, but a director shall not vote in respect of any such contract or work and if he does so his vote shall not be counted.

### **Rotation of Directors**

79. At the first ordinary meeting of the company, the whole of the directors shall retire from office and at the ordinary meeting in every subsequent year, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

80. The directors to retire in every year shall be those who have been longest in office since their last election, but as between person as who became directors on the same day those to retire shall, unless they otherwise agreed among themselves, be determined by lot.

81. A retiring director shall be eligible for re-election.

82. The company at the general meeting at which a director retires in manner aforesaid may fill in the vacated office by electing a person thereto.

83. If at any meeting at which an election of directors ought to take place, the offices of the vacating directors are not filled in, the meeting shall stand adjourned till the same day in the next week and shall be held at the same time and place and if at the adjourned meeting the offices of the vacating directors are not filled in, the vacating directors or such of them as have not had their office filled in shall be deemed to have been re-elected at the adjourned meeting.

84. Subject to the provisions of sections 90 and 91 of the Companies Act, 1994, the company may from time to time in general meeting increase or reduce the number of directors and may also determine in what rotation the increased or reduced number is to go out of office.

85. Any casual vacancy occurring in the Board of Directors may be filled in by the directors but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director. A director so chosen shall be known as an alternative director.

86. The directors shall have power at any time, and after the expiry of a specified period to appoint a person as an additional Director who shall retire from office at the next following ordinary general meeting but shall be eligible for election by the company at that meeting as an additional director.

87. The company may, by extraordinary resolution, remove any director before the expiration of his period of office, and may by, an ordinary resolution, appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

### **Proceedings of Directors**

88. The director may meet together for the disposal of business and adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting, shall be decided by

a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A director may, and Secretary on the requisition of a director shall at any time, summon a meeting of director.

89. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall, when the number of directors exceeds three, be three.

90. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, after may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

91. The directors shall determine the period for which the Chairman shall hold office.

92. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any restriction and regulations that may be imposed on them by the directors.

93. A committee may elect a chairman of their meetings; if no such chairman is elected or if at any meeting the chairman is not present thirty minutes after the time appointed for holding the same the members present may choose one of their number to be the chairman of the meeting.

94. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority votes of the members present and in case of an equality of votes, the chairman shall have a second casting vote.

95. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

## **Dividend and Reserve**

96. The company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the directors. When a dividend is declared, it shall be paid within two months from the date of its declaration:

Provided that the period of two months shall not apply in case where-

- (a) there is a dispute regarding the right to receive the payment; or
- (b) the dividend has been lawfully adjusted by the company against any sum due to it from the shareholder.

97. The directors may from time to time pay to the members, such interim dividends as appear to the directors to be justified by the profits of the company.

98. No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits.

99. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares; but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the nominal value of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purpose of this Regulation as paid on the share.



100. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments as the directors may from time to time think fit.

101. If several persons are registered as joint-holders of any share, any one of them may give effectual receipts for any dividend payable on the share.

102. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

103. No dividend shall bear interest against the company.

### **Accounts**

104. Director shall cause to be kept proper books of account with respect to-

- (a) all sums of money received and expended by the company and the matters in respect of which the receipts and expenditure take place;
- (b) all sales and purchases of goods by the company;
- (c) the assets and liabilities of the company;
- (d) cost accounts, where applicable.

105. The books of account shall be kept at the registered office of the company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours.

106. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member not being a director shall have any right of inspecting any account on book or document of the company except as conferred by law or authorised by the directors or by the company in general meeting.

107. The directors shall as required by sections 183 and 184 of the Companies Act, 1994, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts or income and expenditure accounts, balance-sheet, and reports as are referred to in those sections.

108. The profit and loss account shall in addition to the matters referred to in sub-section (2) of section 185 of the Companies Act, 1994 show, arranged under the most convenient heads, the amount of gross income, and in the case of a banking company, the amount of any provision made to the satisfaction of the auditors for bad and doubtful debts distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment salaries and other like matters.

(2) Every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of profit and loss may be laid before the meeting, and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

109. A balance-sheet shall be made out in every year and laid before the company in general meeting. The balance-sheet shall be made up to a date not more than nine months before such



meeting. The balance-sheet shall be accompanied by a report of the directors as to the state of the company's affairs, and the amount, if any, which they propose to carry to a reserve fund.

110. A copy of the balance-sheet and report shall, fourteen days (twenty days in Bengali version) previous to the meeting, be sent to the persons entitled to receive notice of general meetings in the manner in which notice are to be given hereunder.

111. The directors shall in all respect comply with the provisions of sections 181 to 191 of the Companies Act, 1994.

### **Audit**

112. Auditors shall be appointed and their duties regulated in accordance with sections 212 and 213 of the Companies Act, 1994.

### **Notice**

113. A notice may be given by the company to any member either personally or by sending it by registered post to him to his registered address or, if he has no registered address in Bangladesh, to the address, if any, within Bangladesh supplied by him to the company for the giving of notice to him.

114. If a member has no registered address in Bangladesh, and has not supplied to the company an address within Bangladesh for the giving of notice to him, a notice addressed to him (mentioning his last address - as in Bengali version) and advertised in a newspaper circulating in the neighbourhood of the registered office of the company shall be deemed to be duly given to him on the day on which the advertisement appears.

115. A notice may be given by the company to the joint holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

116. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address, if any, in Bangladesh supplied for the purpose by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

117. Notice of every general meeting shall be given in some manner herein before authorised to-

- (a) every member of the company including bearers of share-warrants except those members who have no registered address within Bangladesh and have not supplied to the company an address within Bangladesh for the giving of notices to them; and
- (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency, would be entitled to receive notice of the meeting.