

The Companies Act, 1994  
(Act XVIII of 1994)  
( A Private Company Limited by shares)

**ARTICLES OF ASSOCIATION**

**Of**

.....**LTD.**

**PRELIMINARY**

01. The regulations contained in the Schedule-1 of the Companies Act, 1994 shall, apply to this company with respect to such provisions as are applicable to private limited companies so far only as they are not negative or modified by or not contained in the following articles or any other articles that may from time to time be framed by company in general meeting or by any statute.

**PRIVATE COMPANY.**

02. The Company is a private limited company within the meaning of section 2(1) clause (TA) of the Companies Act, 1994 and shall therefore apply the following restriction namely :-
  - (a) The company shall not issue any invitation to the public to subscribe for any shares or debenture of the company.
  - (b) The number of members of the company (exclusive of the persons in employment of the company) shall not exceed fifty, but for the purpose of this provision when two or more persons holding one or more shares jointly in the company they shall be treated as a single member.
  - (c) The right to transfer of shares shall be restricted in the manner and to the extent hereinafter appearing.

### **AUTHORISED SHARE CAPITAL**

03. The Authorized share capital of the company is Tk. /-(.....) divided into .....ordinary shares of Tk. 100/- each with power to increase or reduce the capital and to divide the shares into different classes and to attach thereto respectively such special rights or privileges or conditions as may be determined by the company and to consolidate or sub-divide the shares and to convert the shares of higher or lower denomination.
04. The shares of the company shall be under the control of the directors, who may allot or otherwise dispose of the same to such person or persons on such terms and conditions and at such time as the directors may think fit and give to any person the call on any shares either at par or at a premium for such time and such consideration as the directors of the company may think fit.

### **SHARE CERTIFICATE.**

05. The certificate of title to the share and the duplicate thereof if necessary shall be issued to the members under the common seal of the company and shall be signed by such person or persons as may be specifically authorized by the Board of Directors for that purpose.
06. If any share certificate be worn out, destroyed, defaced or lost a new certificate may be reissued in lieu thereof on such terms and conditions and on such indemnity as the Board of Directors may think fit.

### **LIEN**

07. The company shall have a lien on every share (not being a fully paid share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that share and the company shall also have lien on all shares (other than fully paid shares standing registered in the name of a single person, for all money presently payable by him or his estate to the company, but directors may at any time declare any share to be wholly or partly excluded from the provisions of this clause. The lien of the company if any on share shall extend to all dividends payable thereon.

## **CALLS ON SHARES**

08. 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 forth of the nominal amount of the shares, and shall not be payable within at least one month from the last call and each members shall subject to receiving at least fourteen days notice specifying the time or times of payments, pay to the company at the time or times so specified in the notice the amount called on his shares.
09. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

## **TRANSFER AND TRANSMISSION OF SHARE.**

10. The instrument of the transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.
11. With the approval of the Board of Directors any share may be transferred by a share holder to his wife or her husband, son daughter, brother, sister, father mother or any trust whether created by share holder or any one else except as aforesaid no share be transferred to any person who is not a member of the company so long as any member is willing to purchase the same at the fair value to be determined by the Board of Directors at their discretion. The procedure for ascertaining whether any member is willing to purchase any share shall be determined by the Board of Directors.
12. Any member who desires to transfer his/her share(s) at the first instance shall offer the same to the existing member of the company.

13. The Board of Directors may without assigning any reason whatsoever decline to register any transfer of share including transfer to any person who is a member of the company.

### **ALTERATION OF CAPITAL.**

14. The Board of Director may with the sanction of the company in General Meeting increase the share capital of such sum, to be divided into share of such amount as the resolution of the general meeting shall prescribe.
15. The company may, by special resolution reduce its share capital in any manner and with, and subject to any incident authorized and consent required by law.

### **BORROWING POWER.**

16. The Board of Directors may from them time at their absolute discretion raise or borrow any sum or sums of money for the purpose of the Company from any Bank, financial institution or from other sources and particularly from any Director and may secure the payment of such loan or debts in such manner and upon such terms and conditions in all respect as they think fit and in particular by the issue of debentures of the Company or by making, drawing, accepting or endorsing on behalf of the company any promissory notes; or bills of exchange or giving or issuing any other security of the company or by creation of mortgage or chare on all or any of the property of the company both present and future, including its uncalled capital for the time being and the board of directors may guarantee the whole or any part of the loan or debts incurred by the company with power to secure the guarantors against liability in respect of such loans or debts by means of mortgage or charge upon the property of the company moveable & immoveable or otherwise.

### **GENERAL MEETING.**

17. The first General meeting of the company shall be held within eighteen months from the date of its incorporation. Subsequent general meeting

shall be held once in every calendar year, (not being more than fifteen months from the date of last general meeting). The general meeting referred to this articles shall be called “Annual General Meeting”. All other meeting of the shareholders of the company shall be called extra ordinary general meeting. The time and place of all general meeting shall be decided by the Board of Directors from time to time.

18. The Managing directors or the Chairman may at any time call a General Meeting whether ordinary or Extra ordinary and an extraordinary general meeting may also be called on the requisition of shareholders in accordance with the provisions of section 84 of the companies act, 1994.

### **PROCEEDING AT GENERAL MEETING.**

19. Subject to the provisions of section 87(2) of the Companies Act, 1994 relating to special resolution no less than fourteen days notice specifying the place, the day and the hour of the General Meeting and in the case of special business such other manner as may be prescribed by the company in general meeting. But accidental omission to give such notice to or non-receipt of such notice by any member shall not invalidate the proceeding of the General Meeting which may with consent of all the members may be called by a shorter notice and in such manner as the members shall think fit.
20. No business shall be transacted at General meeting unless the quorum of members is present at the time when the meeting proceed to business.<sup>3</sup> (Tree). members present in person shall form the quorum for any general meeting whether ordinary or extra ordinary.
21. The Chairman, if any of the Board of Directors, shall preside at every, general meeting. If there is no such Chairman or if he is not present at any meeting or if he is unwilling to act as Chairman in that meeting the members present shall elect any one of them to be the Chairman of such particular meeting.
22. If at any general meeting a resolution is put to the vote of the members shall at the first instance be decided by a show of hands unless a poll is demanded in accordance with the provisions of clause (e) of sub-section (1) of section 85 of the Companies Act, 1994.
23. In the case of an equality of votes whether on show of hands or on a poll the Chairman of the meeting at which the show of hands takes place or poll is demanded shall be entitled to a second or casting vote.

## **VOTES OF MEMBERS.**

24. On show of hands every member present in person shall have one vote and on a poll every member present in person or by a proxy shall have one vote in respect of each share held by him.
25. No member shall be entitled to vote at any General Meeting unless all calls or other sums of money presently due and payable by him in respect of shares in the company held by him have been paid.

## **DIRECTORS.**

26. Unless otherwise determined by the company in a General meeting the number of directors shall not be less than ..... and not more than .....
27. The following persons shall be the directors of the company until otherwise become disqualified under the provision of the Companies Act, 1994. voluntary resigns or causing death.
  1. Mr.
  2. Mr.
  3. Mrs.
28. The qualification of the Directors shall be the holding of ..... shares of Tk. /= each in the capital of the company in his /her own name alone and not jointly with others.
29. unless otherwise determined by the company in a General meeting each director shall received sum not exceeding Tk. 250/- only for every meeting of the Board of Directors attended by him /her with such traveling expenses and halting charge incurred by him or her.
30. If any director, when willing be called upon to perform any extra service or to make any special exertion for any of the purpose of the company, the company may remunerate the directors for so doing either by a fixed sum or by a percentage on the net profit or otherwise as may be decided by the company in General Meeting and such remuneration should be in addition to the remuneration provided in article no. 29.

31. The Board of Directors shall have power at any time and from time to time to appoint one or more person or persons as director or directors to fill up the casual vacancy or as an additions to the board but by such appointment the total number of directors shall not exceed the maximum number of Directors fixed in the articles No. 26.

### **POWER AND DUTIES OF DIRECTORS.**

32. The business of the company shall be managed by the directors who may pay all expenses incurred for getting up and registering the company and may exercise all such power of the company as are not, by the companies Act, 1994 or any statutory modification thereof for the time being in force or by these article required to be exercised or done by the company in general meeting, subject nevertheless to any regulations of these articles or to the provisions of the said act, and to such regulations or provisions being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in General meeting but no such regulation made by the company shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

### **PROCEEDING OF DIRECTORS.**

33. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meting and proceeding in such manner as they think fit. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of vote the Chairman of the meeting shall have a second or a casting vote.
34. The quorum necessary for the transaction of business of directors may be fixed by the directors and unless so fixed shall be .
35. The directors or the managing directors may at any time call a meeting of he board of directors form time to time.
36. The Chairman shall preside over all the meeting of the board of Directors but if at any meeting the Chairman is not present at the time appointed for holding the same the directors present shall chose any one of their member to be chairman of that meeting.

## **CHAIRMAN.**

37. There shall be a Chairman who shall preside over all the meeting of the Board of Directors as well as the General meeting and extra ordinary general meeting of the Company. The Chairman shall be nominated by the board of Directors from time to time. Mr..... shall be the first Chairman of the company.

## **MANAGEMENT OF THE COMPANY.**

38. Subject to the control and supervision of the Board of Directors the business and all other affairs of the company shall be managed by the Managing Directors.
39. The Board of Directors may from to time appoint one of their body to the office of the Managing Directors, Deputy Managing Directors, Finance Director & Executive Director for such terms and conditions and at such remuneration (whether by way salary, commission or participation in profits) as they may think fit.

## **MANAGING DIRECTOR.**

40. Mr. .... shall be the first Managing Director of the company from the Date of incorporation for a period of five years and shall remain in the position until he resigns voluntarily or disqualified under the provisions of section 108 of the Companies Act, 1994.
41. For the services to be rendered by the Managing Director, Deputy Managing Director, Finance Director & Executive Directors they will receive such allowances and remuneration as will be determined by the Board of Directors from time to time.
42. Without prejudice of the general power and other powers conferred by these present it is hereby expressly declared that the Managing Director (subject to approval of the Board of Directors ) shall have the following powers that is to say:-
- i. To generally mange all concerns and affairs of the company and to appoint employee, worker, agents, servants and other for the purpose of the company and to remove or dismiss them and appoint others in



their place and to pay and allow the persons to be employed as aforesaid such salary, commission and other remuneration as may be deemed fit and proper and in particular to sanction and spend the preliminary and other legal expenses of the company that may be necessary from time to time.

- ii. To borrow or raise any sums of the company by way of loan or otherwise on mortgage, charge or hypothecation on such securities and on such terms as the by deem fit and execute, sign, seal or deliver all necessary documents or do any other acts on that behalf.
- iii. To purchase or otherwise acquire for the company any property, rights and privileges as the company is authorized to acquire at such price and generally on such terms and conditions as he thinks fit.
- iv. To sign cheque, drafts certificate and other documents on behalf of the company .
- v. To execute and sign in the name of the company all such deeds and things as are necessary for the welfare of the company.
- vi. To purchase sell, exchange or otherwise dispose of absolutely or conditionally any property for the purpose of the company.
- vii. To enter into such negotiation and contract and very all such contract and to execute and do all such acts, deed and think in the name and on behalf of the company as he may consider expedient in relation to any of the matter aforesaid or otherwise for the purpose of the company.
- viii. To delegate all or any of power hereby conferred upon him to any director, manager, secretary or the officers of the company as he may think fit.

#### **OPERATION OF BANK ACCOUNT.**

43. The company shall open bank account with any scheduled or commercial bank and shall deposit and draw money by cheques from the said account under the signature of the Managing Directors. In absence of the Managing Directors The bank account or accounts of the company shall be operated in such manner as the Board of Directors shall decide in their meeting.

#### **NOTICE**

44. When a notice is sent by post the service of the notice shall be deemed to be effective addressing, prepaying and posting a letter containing the notice and unless contrary is proved it have been effected at the time which the letter containing the notice would be delivered in the ordinary

course of post and the regulations No. 113 to 115 shall be applicable in this respect.

### **COMMON SEAL.**

45. The company shall have a common seal, which will remain in the custody of the Managing Director. Every instrument to which the seal is affixed shall be signed by the Managing director and such seal and signature shall be conclusive evidence of the fact that the seal has been properly affixed.

### **DIVIDEND**

46. The company in general meeting may declare dividend but no dividend shall exceed the amount recommended by the directors and no dividend shall be paid otherwise than out of profits of the year or any other undistributed profit.
47. The Directors shall have power to create a reserve fund and they shall have the absolute discretion as to the employment of the reserve fund created out of the net profit of the company.

### **ACCOUNTS.**

48. The directors shall cause to be kept proper books of account with respect to :-
- i. All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure took place.
  - ii. All sales and purchase of goods by the company.
  - iii. The assets and liabilities of the company.
49. The Books of accounts shall be kept at the registered office of the company or at such other place as the directors shall think fit and shall be opened to the inspections of the directors during usual business hours.

### **AUDITORS.**

50. An auditor or auditors shall be appointed and his or their duties and functions shall be regulated in accordance with the provisions of section 210-213 of the Companies Act, 1994 or any statutory modification thereof for the time being in force.
51. Every account when audited and signed by the auditors and approved in a general meeting of the company shall be conclusive unless so far as any error is discovered therein before audit of the next years accounts and whenever such error is discovered the same shall forth with be rectified.

### WINDING UP.

52. If the company shall be wound up the surplus assets (subject to any rights attached to any special class of shares forming the part of the capital for the time being of the company ) be applied first in repayment of the capital paid up on the ordinary shares in proportion to the number of ordinary shares held by each member respectively at the commencement of the winding up.

### INDEMNITY.

53. The Managing Director, Directors, employees and officers shall be indemnified by the company for all losses and expenditure incurred by him or them respectively in or about the discharge of their respective official duty except willful act, neglect or default and it shall be the duty the company to pay out of its fund for such losses and expenses which the Managing Directors or any other directors, officers or employees may in any way incur in the discharge of his or their duties and the amount for which such indemnity has been provided shall immediately attach a lien on the property of the company and shall have priority over all other claims.

We the several persons, whose names, addresses and descriptions as subscribed below are desirous of being formed into a private limited company in accordance with this Articles of Association and we respectively agreed to take the number of shares in the capital of the company set opposite to our respective names :-

Sl. No.	Names, Address and Occupation of the Subscribers.	Numbers of Shares taken by each subscribers.	Signature of the Subscribers.
01.	Mr. S/o. Business, Bangladeshi, Date of Birth :	..... (.....) shares.	
02.	Mr. S/o. Business, Bangladeshi, Date of Birth :	..... (.....) shares.	
03.	Mrs. W/o Business, Bangladeshi, Date of Birth :	..... (.....) shares.	

04.	Mrs W/o- Business, Bangladeshi. Date of Birth :	..... (.....) shares.	
05.	Mrs W/o- Business, Bangladeshi. Date of Birth :	..... (.....) shares.	

**Total..... shares.**

Dated the ..... day of .....200

Witness to the above signatories.

1.