

# ARTICLES OF ASSOCIATION

of

## CDC GROUP PLC

public limited company

(Articles adopted on 1 August 2017)

### 1. EXCLUSION OF MODEL ARTICLES

The articles prescribed in any legislation relating to companies do not apply as the articles of CDC.

### 2. DEFINITIONS

(A) The following table gives the meaning of certain words and expressions as they are used in these articles. However, the meaning given in the table does not apply if it is not consistent with the context in which a word or expression appears. At the end of these articles there is a Glossary which explains various words and expressions which appear in the text. The Glossary is not part of the articles and does not affect their meaning.

“address”	includes a number or address used for sending or receiving documents or information by electronic means;
“amount” (of a share)	refers to the nominal amount of the share;
“these articles”	these articles of association, including any changes made to them, and the expression “ <b>this article</b> ” refers to a particular article in these articles of association;
“auditors”	the auditor of CDC from time to time and, where two or more people are appointed to act jointly, any one of them;
“Bank of England base rate”	the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998;
“board”	the board of directors of CDC from time to time;
“CDC”	CDC Group plc;

“chairman”	the chairman of the board;
“clear days”	in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;
“clearing house”	any pooled nominee service approved by CDC or otherwise recognised;
“Companies Acts”	every English law statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies insofar as it applies to CDC;
“Company”	CDC;
“code of responsible investing”	the statement of business principles and policies of CDC adopted in accordance with article 42 (Statement of Business Principles and Policies) as such statement may be renamed from time to time;
“Crown”	one or more of Her Majesty’s Secretaries of State, another Minister of the Crown, the Commissioners of Her Majesty’s Treasury, the Treasury Solicitor or any other person acting on behalf of the Crown;
“depository”	a custodian or depository (or a nominee of one of these) which holds shares and issues receipts in relation to share rights under the terms of a contract between it and CDC, where the custodian, depository or nominee is acting in such capacity;
“development impact committee”	the committee constituted in accordance with article 102 (Delegation to Committees; Business Principles Committee), as such committee may be renamed from time to time;
“directors”	the executive and non-executive directors of CDC who make up its board (and “ <b>director</b> ” means any one of them) or, where applicable, the directors attending a quorate meeting of the directors;

“investment policy”	the investment policy of CDC adopted in accordance with article 41 (Investment Policy) from time to time;
“legislation”	every statute applying to CDC, including (without limitation): (i) the Commonwealth Development Corporation Act 1999; (ii) the Commonwealth Development Corporation Act 2017; and (iii) the Companies Acts, in each case, and any orders, regulations or other subordinate legislation made under any such statute or statutes;
“London Stock Exchange”	The London Stock Exchange Limited;
“office”	the registered office of CDC from time to time;
“ordinary shareholder”	a holder of ordinary shares;
“ordinary shares” or shares”	CDC’s ordinary shares of £1.00 each;
“paid up”	paid up or treated (credited) as paid up;
“pay”	any kind of reward or payment for services;
“register”	CDC’s register of shareholders;
“registration date”	8 December 1999;
“seal”	any common or official seal that CDC may be permitted to have under the legislation;
“secretary”	the secretary of CDC (including an assistant or deputy secretary and any person appointed by the directors to perform any of the duties of the secretary);
“senior independent director”	the senior independent director of the Company appointed in accordance with article 75 (Appointment of Chairman and Senior Independent Director);
“shareholder”	a holder of CDC’s shares;
“special share”	the one special rights redeemable preference share of £1 in the capital of CDC;
“special shareholder”	the holder of the special share from time to time;

“Treasury Solicitor” the Solicitor for the affairs of Her Majesty’s Treasury; and

“United Kingdom” Great Britain and Northern Ireland.

- (B) References in these articles to a document being “signed” or to “signature” include references to it being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, such references are to it being authenticated as specified by the legislation.
- (C) References in these articles to “writing” and to any form of “written” communication include references to any method of representing or reproducing words in a legible and non-transitory form whether sent or supplied in electronic form or otherwise.
- (D) Where any legislation is referred to, this includes any amendment, as well as its addition or re-enactment (with or without modification) in later legislation. References to legislation are to the version which is current at any particular time.
- (E) Any words or expressions defined in the legislation in force when these articles or any part of these articles are adopted will (if not inconsistent with the subject or context in which they appear) have the same meaning in these articles or that part save that the word “company” includes any body corporate.
- (F) References to a meeting will not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.
- (G) Headings in these articles are only included for convenience. They do not affect the meaning of these articles.
- (H) Where these articles refer to a person who is entitled to a share by law, this means a person who has been noted in the register as being entitled to a share as a result of the death or bankruptcy of a shareholder or some other event which gives rise to the transmission of the share by operation of law.
- (I) Words which are in the singular may also be read as being in the plural and the other way round. Words which are in the masculine form may also be read as referring to the feminine or to other bodies or persons. References to a person or people include any company, partnership, firm, government authority, body or society whether or not incorporated.

### **OBJECTS; CORE DEFINING PRINCIPLES**

#### **3. OBJECTS**

CDC’s objects are:

- (A) to carry on the business of a company investing its assets principally in debts and securities of entities operating, or expected to operate, in developing countries;

- (B) to contribute to sustainable development and economic growth that directly or indirectly benefits poor people by investing in businesses and activities, especially when private commercial investors are reluctant to do so;
- (C) to implement policies designed, in the opinion of CDC's directors, to maximise the creation and long-term growth of viable businesses in developing countries, especially poorer countries, achieve attractive returns for shareholders and implement social, environmental and ethical best practice in the conduct of CDC's and its subsidiary undertakings' business;
- (D) to create lasting employment opportunities and support economic transformation and market development by investing in sectors in developing countries which have a high propensity to create jobs, or high growth potential and activities which address economy-wide barriers to growth;
- (E) to demonstrate to private commercial investors that profitable, commercially sustainable and responsible investments can be made and/or developed over time in developing countries and, where possible, mobilise both direct and indirect private investment in CDC's target countries, states or territories;
- (F) to acquire, hold, vary, dispose of, subscribe for, issue, underwrite, place, manage assets belonging to others which include, advise on, enter into contracts or transactions in relation to or involving and in any other way deal with or arrange dealings with or perform any service or function in relation to (as applicable): shares, stocks, debentures, loans, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness, government, public or other securities, warrants, certificates representing securities or other obligations, units in collective investment schemes, options, futures, spot or forward contracts, contracts for differences or other investments or obligations, mortgages, annuities, currencies, interest rates, precious metals or other commodities, any index (whether related in any way to any of the foregoing or otherwise), any right to, any right conferred by or any interest or any obligation in relation to any of the foregoing and any financial instrument or product deriving from or in any other way relating to any of the foregoing or of any nature whatsoever, and any transaction which may seem to be convenient for hedging the risks associated with any of the foregoing;
- (G) to acquire, hold, dispose of, or subscribe for and invest all or any of CDC's assets in any investment vehicles or funds on any such terms as CDC's directors consider appropriate and to do all such things as may be necessary or desirable in connection therewith;
- (H) to delegate the management of its assets to any investment or asset manager or invest its assets in accordance with the advice of any investment adviser and to invest its assets in investment vehicles or funds managed or advised by any third party as CDC's directors may consider appropriate;
- (I) to acquire any of the items referred to in the preceding sub-clause by original subscription, syndicate participation, tender, purchase, exchange or otherwise, and

whether or not fully paid up, and to subscribe for the same, either conditionally or otherwise, and to guarantee its subscription and to exercise and enforce all rights and powers conferred by or incidental to ownership and to act as managers of any syndicate;

- (J) to lend money (with interest) secured on any land, buildings, stocks, shares, securities and merchandise, and generally to lend and advance money to any persons or companies without security, or upon such securities and terms, and subject to such conditions as may seem appropriate;
- (K) to act as financial advisers and to facilitate and encourage the creation, issue or conversion of and to offer to the public any investment or other instrument, and to act as trustees in connection with any such investments and instruments and to establish or to promote or to concur in establishing or promoting any company, association, undertaking or public or private body, wherever located, the promotion of which shall be considered desirable;
- (L) to acquire and hold any kind of interest in, or provide any form of capital for, any enterprise, concern or person, to carry on business as a holding company, and, generally and in addition, to carry out, or through subsidiaries or otherwise be interested or participate in, all kinds of financial, commercial, transport, industrial, technological and other transactions and activities;
- (M) to acquire, dispose of, deal in and enter into every other kind of transaction in relation to land, buildings, plant, machinery, equipment, vehicles, ships, rigs, aircraft, merchandise, goods and other assets;
- (N) to receive money on deposit or otherwise, to provide or arrange advances or any other form of credit or finance, to enter into or arrange transactions of every kind in relation to foreign exchange, bullion, commodities, futures, options and similar instruments and to engage in all forms of arbitrage;
- (O) to act as trustee, personal representative, director or agent of any kind and for any purposes, and to establish, operate or otherwise act in relation to any unit trust, investment trust or collective investment scheme;
- (P) to provide management, administrative, advisory, professional and technical services of any kind and in any manner;
- (Q) to undertake any kind of scientific or technical research and development and acquire, develop, register, protect and renew patents, trade-marks, copyrights, designs, inventions, processes and intellectual, technical and similar rights and all forms of know-how;
- (R) to undertake any business or transaction which the directors consider can be profitably or advantageously undertaken in conjunction or concurrently with any other business or transaction being or proposed to be undertaken by CDC, and to turn to account any of CDC's assets in any manner which the directors consider appropriate;

- (S) to enter into all forms of distributorship, franchise, licensing and agency transactions;
- (T) to enter into any partnership, joint venture, co-operation and similar transactions, to carry out any form of take-over, acquisition, merger, amalgamation, demerger or reorganisation, to acquire or assume all or any part of the undertaking, assets, liabilities and obligations of any person, and to dispose of all or any part of the undertaking, assets, liabilities and obligations of CDC;
- (U) to borrow or raise money by any method and to obtain any form of credit or finance;
- (V) to secure the payment of any moneys, the discharge of any liabilities and the observance or performance of any kind of obligations by CDC by any charge over the whole or any part of the undertaking and assets of CDC;
- (W) to guarantee in any manner, or to enter into any kind of indemnity or other arrangement in relation to, the discharge of any liabilities or the observance or performance of any kind of obligations of any person and to secure any such guarantee, indemnity or arrangement or the discharge of any liabilities or the observance or performance of any such obligations by any charge over the whole or any part of the undertaking or assets of CDC;
- (X) to give any financial assistance that may lawfully be given in connection with the acquisition of shares in CDC or any other company;
- (Y) to enter into all forms of indemnity in relation to claims, losses and contingencies of every kind and, for that or any similar purpose, to create any charge, over the whole or any part of the undertaking and assets of CDC;
- (Z) to make, draw, accept, issue, execute, endorse, avalise, negotiate and deal with instruments and securities of every kind, whether or not negotiable or transferable;
- (AA) to employ, accept on secondment, retain and appoint managers, employees, professional and technical staff and personnel and advisers of every kind, and to enter into any arrangement for payment or other remuneration (including all forms of benefits) in respect of the services of such persons;
- (BB) to provide or arrange for pensions, lump sum payments, gratuities, life, health, accident and other insurances and other benefits (pecuniary or otherwise) of every kind to or for the benefit of any individuals who are or have been directors of, or employed by, or who provide or have provided personal services to or for, CDC or any company which is or has been a subsidiary, holding company or fellow subsidiary of CDC or otherwise connected with CDC or of any such subsidiary, holding or fellow subsidiary or connected company and to or for the benefit of the present or former spouses, children and other relatives and dependants of such individuals and other persons who have or formerly had with any such individuals any relationship of such a kind as the directors may approve; and for those purposes to establish or participate in any fund or scheme, to effect or contribute to any form of insurance and to enter into any other arrangements of any kind which the directors may approve;

- (CC) to establish, maintain and participate in profit sharing, shareholding, share option, incentive or similar schemes for the benefit of any of the directors or employees of CDC or of any such subsidiary, holding or fellow subsidiary or connected company and of any other person falling within any category approved by the directors, and to lend money to any such directors, employees or persons or to trustees on their behalf to enable any such schemes to be established or maintained;
- (DD) to support and subscribe to any institution or association which may be for the benefit of CDC or its directors or employees or connected with any town or place where CDC carries on business, to support and subscribe to any charitable or public object whatsoever and to make donations to bodies, associations or causes with political objects;
- (EE) to distribute among the members of CDC in kind any assets of CDC;
- (FF) to pay any expenses connected with the promotion of CDC, to contract with any person to pay the same, and to pay commissions, fees and expenses or issue securities of CDC for underwriting, placing, distributing, or entering into any other kind of transaction in relation to, any securities of CDC;
- (GG) to exercise any power of CDC for any consideration of any kind or for no consideration whatsoever;
- (HH) to exercise any power of CDC in any country or territory and by or through agents, trustees, sub-contractors or otherwise and either alone or in conjunction with others; and
- (II) to do all other things (whether similar to any of the foregoing or not) which may be considered by the directors of CDC incidental or conducive to the attainment of CDC's objects or any of them;

and it is declared that:

- (JJ) this article 3 will be interpreted in the widest and most general manner and without regard to any restrictive principle of interpretation;
- (KK) each of the provisions of this article 3, unless expressly provided to the contrary, sets out a separate, distinct and independent object of CDC and not a power ancillary or incidental to the objects set out in any other provision of this article 3; and
- (LL) each of the provisions of this article 3 will not prejudice the generality of any other provision of this article 3 and none of the provisions of this article 3 will be in any way limited or restricted by reference to or inference from any other of this article 3.
- (MM) In this article 3



- (i) "assets" includes property, rights and interests of every description, whether present or future, actual or contingent and wherever located and, in the case of CDC, its uncalled capital;
- (ii) "charge" includes any mortgage, pledge, lien or other form of security;
- (iii) "dispose of", in relation to an asset, includes selling or transferring it or surrendering or extinguishing it, and also creating or granting it or any interest or right out of or in respect of it;
- (iv) "liabilities" includes debts and obligations of every description, whether present or future, actual or contingent;
- (v) "person" includes any partnership or other body of persons, whether corporate or unincorporate, and any country, territory, public authority and international organisation;
- (vi) "transaction" includes any scheme, arrangement and project; and
- (vii) the word "company", except where used in reference to CDC, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate and wherever incorporated, resident or domiciled.

#### **4. CORE DEFINING PRINCIPLES**

CDC shall seek to operate in a manner consistent with the core defining principles outlined in Annex A to these articles.

#### **LIMITED LIABILITY**

#### **5. LIMITED LIABILITY**

The liability of the shareholders is limited to any unpaid amount on the shares in CDC held by them.

#### **SHARE CAPITAL**

#### **6. RIGHTS ATTACHED TO SHARES**

Subject to the legislation, CDC may issue shares with any rights or restrictions attached to them. These rights or restrictions can be decided either by an ordinary resolution passed by the shareholders or by the directors as long as there is no conflict with any resolution passed by the shareholders. The ability to attach particular rights and restrictions to shares may be restricted by rights previously given to shareholders.

## **7. VARIATION OF RIGHTS**

Subject to the legislation, the rights attached to any class of shares may be changed if this is approved either in writing by shareholders holding at least three quarters in nominal value of the issued shares of that class or by a special resolution passed at a separate meeting of the shareholders of the relevant class. This is called a "**class meeting**".

All the articles relating to general meetings will apply to any such class meeting, with any necessary changes. The following changes will also apply:

- (i) a quorum will be one shareholder entitled to vote and holding or representing by proxy at least one third in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares); and
- (ii) any shareholder who is present in person or by proxy and entitled to vote can demand a poll.

The provisions of this article 7 will apply to any change of rights of shares forming part of a class. Each part of the class which is being treated differently is treated as a separate class in applying this article 7.

## **8. REDEEMABLE SHARES**

Subject to the legislation and to any special rights previously given to shareholders, CDC may issue shares which can be redeemed. This may include shares which can be redeemed if the shareholders want to do so, as well as shares which CDC can insist on redeeming. The directors may decide on the terms and conditions and the manner of redemption of any redeemable share. These terms and conditions will apply to the relevant shares as if they were set out in these articles.

## **9. PARI PASSU ISSUES**

If new shares are created or issued which rank equally with any other existing shares, or if CDC purchases or redeems any of its own shares, the rights of the existing shares will not be regarded as changed or abrogated unless the terms of the existing shares expressly say otherwise.

## **10. ALLOTMENT OF SHARES**

The directors may decide how to deal with any shares which have not been allotted. They may, for instance, offer the shares for sale, grant options to acquire them or dispose of the shares in any other way. The directors are free to decide who they deal with, when they deal with the shares and the terms on which they deal with the shares. However, in making their decision they must obey:

- (i) the provisions of the legislation relating to authority, pre-emption rights and other matters;

- (ii) the provisions of these articles;
- (iii) any resolution passed by the shareholders; and
- (iv) any rights attached to existing shares.

## **11. SPECIAL SHARE**

The provisions of this article 11 are subject to the provisions of section 18 of the Commonwealth Development Corporation Act 1999.

- (A) The special share may only be issued to, held by and transferred to one or more of Her Majesty's Secretaries of State, another Minister of the Crown, the Treasury Solicitor or any other person acting on behalf of the Crown.
- (B) The amendment or removal of, or alteration of the effect of, certain provisions of these articles shall require the written consent of the special shareholder. This is so even if these articles suggest otherwise. If an attempt is made to change any of these provisions by special resolution, the special shareholder shall have no less than one more vote than 25 per cent. of the total votes cast. This restriction on amendment, removal or alteration applies to the following provisions:
  - (i) in article 2 (Definitions), the definitions of "Crown", "special share" and "special shareholder";
  - (ii) this article 11;
  - (iii) article 12 (Limitation on Shareholdings);
  - (iv) article 41 (Investment Policy);
  - (v) article 42 (Statement of Business Principles and Policies) and the reference to it in article 102 (Delegation to Committees; Business Principles Committee);
  - (vi) article 70 (Number of Directors);
  - (vii) article 74 (Appointment of Directors by Special Shareholder);
  - (viii) in article 89 (Permitted Interests and Voting), those provisions relating or applying to a director appointed by the special shareholder;
  - (ix) any other references in these articles to a director appointed by the special shareholder;
  - (x) articles 97 (Notice of Directors' Meeting) and 101 (Voting); and
  - (xi) article 102 (Delegation to Committees; Business Principles Committee).

(C) The written consent of the special shareholder is also required before certain events can take place. This is so even if these articles suggest otherwise. This restriction applies to the following events:

- (i) CDC creating, issuing, purchasing, redeeming or repaying any of its shares or reducing or reorganising its share capital or any rights to it in any way;
- (ii) CDC altering the voting rights of any of its shares;
- (iii) CDC entering into a transaction with a related party. In this article, a transaction is a transaction with a related party if it falls within the definition of this expression in the Listing Rules of the London Stock Exchange in force on the registration date, with one exception. A transaction with the Crown will not be caught by this provision; and
- (iv) the removal of any director appointed by the Secretary of State.

If an attempt is made to approve any of these events or to pass a resolution to wind up CDC at a general meeting, on an ordinary resolution the special shareholder will have no less than one vote more than the total number of all other votes cast and, on a special resolution, the special shareholder shall have no less than one more vote than 25 per cent. of the total votes cast.

(D) The special shareholder's only rights regarding meetings are set out in this article 11. The special shareholder must receive notice of any general meeting and any class meeting. The special shareholder may attend and speak at any such meeting, but, subject to articles 11(B) and 11(C), the special share carries no voting rights.

(E) If CDC is wound up, the special shareholder will be entitled to be repaid the capital on the special share before other shareholders receive any payment. The special shareholder has no other right to share in the capital or profits of CDC.

(F) CDC:

- (i) will, if it receives a written request at its registered office from the special shareholder to redeem the special share, redeem that share at face value on any day falling within a period of 180 days, commencing with the day on which CDC receives the written request, or within such longer period as the special shareholder may specify in writing to CDC; and
- (ii) may redeem the special share at face value on the day ("**the date of redemption**") on which the Crown:
  - (a) holds less than 25 per cent. of the issued ordinary share capital of CDC, and

- (b) has held less than 25 per cent. of the issued ordinary share capital of CDC for a continuous period of at least 90 days ending on the redemption date,

provided that (1) the Secretary of State is released from his statutory duty to ensure that the Crown continues to hold the special share; and (2) CDC has given notice of its intention to do so; and, for this purpose, CDC has given notice of its intention to redeem the special share if, at least 30 clear days, but not more than 90 clear days, before the date of redemption, it has:

- (a) served notice on the Crown that the Crown holds less than 25 per cent. of the issued ordinary share capital of CDC, and
- (b) published a notice in the London Gazette.

For the purposes of this article, ordinary shares are held by the Crown if:

- (a) they are held directly by the Crown or;
- (b) they are held indirectly by the Crown, in the number and to the extent described in the paragraph below. Shares are held indirectly by the Crown where the Crown has an interest in another entity (such as a company, partnership or other legal entity) and that entity holds shares in CDC, either directly or indirectly through any number of intermediary entities.

Where CDC shares are held indirectly, the number of shares attributable to the Crown will be calculated by multiplying the direct or indirect proportionate interest the Crown has in the ordinary share capital, or its equivalent, of the entity which directly holds the CDC shares by the proportion of CDC shares held by that entity. The Crown may only include an indirect holding of CDC shares for the purposes of this article, if the Crown is able to control the ability of the entity which directly holds the shares to dispose of the CDC shares and can prevent the Crown's interest in that entity from changing. If the Crown has no control over either of these events, the transfer of CDC shares to that entity will be treated as a transfer of CDC shares to an entity in which the Crown does not have an interest.

Following the redemption of the special share, the provisions of this article will no longer apply.

- (G) Where the written consent of the special shareholder is required under these articles, CDC must request the consent by notice in writing. The special shareholder will be treated as refusing consent if consent is not given within 60 clear days of CDC's request.

## 12. LIMITATION ON SHAREHOLDINGS

- (A) This article 12 will apply until the date CDC redeems the special share. After that date this article 12 will be of no effect. This article 12 does not apply, at any time, to those listed in article 12(M) which are referred to in this article 12 as "**permitted persons**".
- (B) This article 12 is designed to ensure that no one other than a permitted person may directly or indirectly own or control the right to exercise 15 per cent. or more of the votes attaching to the shares which carry voting rights on a poll vote in a general meeting. In this article 12 an interest in 15 per cent. or more of the shares which carry voting rights is referred to as a "**15 per cent. interest**". The shares relevant to this interest are "**15 per cent. shares**" and a person, other than a permitted person, who has, or whom the directors reasonably believe has, a 15 per cent. interest, is a "**15 per cent. shareholder**".
- (C) Certain provisions of Part VI of The Companies Act 1985 in force on the registration date deal with disclosure of interests. These provisions are referred to as the "disclosure provisions" in this article 12. Certain of the expressions used in the disclosure provisions are used in this article 12. For the purposes of this article 12, these expressions will continue to bear the meanings given to them in the disclosure provisions even if the Companies Act 1985 is amended, re-enacted or repealed. However, for the avoidance of doubt, sections 210(3) to (6), 211(10), 213(3) (so far as it relates to section 211(10)), 214(5), 215(8), 216(1) to (4), 217(7), 218(3), 219(3) and (4), 454, 455, 732 and 733 of the disclosure provisions do not apply to disclosure under this article 12. The result of this is that people with particular interests in CDC's shares are under a duty to disclose their interest to CDC.

A person has an interest in the shares which may fall to be disclosed under this article 12 if:

- (i) he has a notifiable interest under the disclosure provisions; or
- (ii) he has an entitlement to acquire an interest which could arise as a result of an agreement or arrangements as defined in sections 204(5) and (6) of the disclosure provisions and which would constitute a notifiable interest under the disclosure provisions.

CDC will keep a register to record all interests notified to it under this article 12.

- (D) If the directors know or reasonably believe that someone is a 15 per cent. shareholder, they will send out a notice to that person and all others who have, or the directors reasonably believe have, an interest in the shares. If none of these is the shareholder the directors will also send the notice to the shareholder. The directors will not need to send a notice to someone if they do not know his name or address. The notice will:
- (i) set out the restrictions described in article 12(H);

- (ii) require that the recipients of the notice dispose of sufficient shares so that the 15 per cent. shareholder no longer has a 15 per cent. interest. The 15 per cent. shareholder must ensure that no other persons acquire a 15 per cent. interest as a result of that disposal; and
- (iii) state the date by which the recipients must have complied with the disposal requirements.

The directors will decide how long the notified parties have to comply with the requirements and may extend the period after sending out the notice.

- (E) The directors may withdraw the notice at any stage if it appears to them that no one has a 15 per cent. interest. While the notice is outstanding the notified parties may not transfer any of the 15 per cent. shares other than to reduce the interest in line with the notice.
- (F) If the directors have not withdrawn the notice and are not satisfied that the parties have complied with the notice, the directors will dispose of sufficient of the 15 per cent. shares so that there is no longer any related 15 per cent. interest. When the directors dispose of shares under this article 12, the disposal is referred to as a "**directors' disposal**". The directors will decide the timing, terms and means of any directors' disposal after taking account of the advice of those the directors consider appropriate in the circumstances. The directors will not be liable to any person for any consequence of the directors relying on advice given. If the 15 per cent. shares are held by more than one shareholder the directors will, to the extent practicable on the basis of information they have at the time, dispose of the same proportion of each holding. For this article only, the joint holders are treated as one shareholder. The directors will send notice of the directors' disposal to the same people who received the original notice. These people will be treated as irrevocably and unconditionally having authorised the directors' disposal.
- (G) In making any directors' disposal the directors may give written authorisation to any officer or employee of CDC to execute or effect any necessary transfers. The board may enter the person or persons to whom the shares are being transferred in the register and issue share certificates to them even if they do not have the share certificates for the 15 per cent. shares. A transfer made in this way is as effective as if it had been made by the shareholder. The proceeds of any directors' disposal will be held on trust by CDC for the relevant shareholder, after the deduction of all expenses incurred by CDC in relation to the disposal. No interest will be paid on the proceeds. If the person to whom the shares are being transferred pays the purchase money to CDC and has a receipt for this payment, he will obtain good title. He does not need to take any steps to see how any money paid is used. Where a shareholder's shareholding is reduced (but not extinguished) by the directors' disposal, a new certificate indicating the change in the shareholding will be issued to the shareholder.
- (H) Shareholders who have received notice under article 12(D), are not entitled to attend or vote at any general or class meeting or exercise any other shareholder rights in relation to meetings. Their right to attend, speak and demand and vote on a poll will instead be

given to the chairman of the meeting. The chairman may exercise or not exercise these rights at his discretion. The directors will inform the chairman of the meeting of the existence of any restrictions imposed under this article. These restrictions continue until the shareholders have complied with the requirement of the notice or the notice is withdrawn.

- (I) The directors may assume without enquiry that a person is not a 15 per cent. shareholder. If, however, the register kept under article 12(C) indicates to the contrary or if the directors have reason to believe otherwise, the directors must make reasonable enquiries to clarify the situation. Any director who has reason to believe that someone has a 15 per cent. interest must inform the other directors of that fact.
- (J) When sending a notice to anyone under this article 12, CDC will apply the rules on giving notice contained elsewhere in these articles as if each recipient were a shareholder. The only exception is that where a person does not have a registered address in the UK, CDC will validly send a notice if it is stamped and posted to him at an address which the directors believe to be his residential or business address, or the last known address held by CDC or a depository.
- (K) Decisions or actions taken by the directors or the chairman of any meeting under this article are binding on all persons concerned and may not be challenged. The directors do not have to give any reasons for decisions or actions made under this article.
- (L) The obligation to record all interests in shares under article 12(C) does not apply to depositaries or clearing houses. For the purposes of this article, anyone using the services of a depository or clearing house has an interest in the number of shares which the depository or clearing house is, or may become, liable to account to him. This interest will not increase merely because he is a tenant in common in relation to, or holding as common property, other interests in shares held by the depository or clearing house.
- (M) This article does not apply to the following persons:
  - (i) a depository;
  - (ii) a clearing house;
  - (iii) the chairman of any meeting exercising the rights given to him under article 12(H);
  - (iv) a trustee of a CDC employees' share scheme;
  - (v) a person acting on behalf of the Crown;
  - (vi) bare trustees of interests in shares;
  - (vii) an underwriter acting under the terms of a board approved agreement until three months after actual purchase or subscription of shares by him;



- (viii) a board approved person who within three months of acquiring an interest in shares, intends to offer that interest to the public; and
- (ix) any person having an interest merely because he can exercise one third of the voting power at any general meeting of a company which falls within articles 12(M)(i) to 12(M)(viii) above.

The rights and obligations created by this article are in addition to those imposed by the Companies Act 1985. In particular, the register required to be kept by CDC under article 12(C) is additional to the register required by section 211 of the Companies Act 1985.

### **13. PAYMENT OF COMMISSION**

In connection with any share issue or any sale of treasury shares for cash, CDC may use all the powers given by the legislation to pay commission or brokerage.

### **14. TRUSTS NOT RECOGNISED**

CDC will only recognise a current and absolute right to whole shares. If a share, or any part of a share, is not owned outright by the registered shareholder (for example, where a share is held by one person as a nominee or otherwise as a trustee for another person) it is of no concern to CDC. The only exceptions to this are where the rights of the kind described are expressly given by these articles or are of a kind which CDC has a legal duty to recognise.

### **15. RIGHT TO A SHARE CERTIFICATE**

- (A) CDC must issue each shareholder, free of charge, one or more certificates in respect of the shares which that shareholder holds.
- (B) Every certificate must specify: (i) in respect of how many shares, of what class, it is issued; (ii) the nominal value of those shares; (iii) that the shares are fully paid; and (iv) any distinguishing numbers assigned to them.
- (C) No certificate may be issued in respect of shares of more than one class.
- (D) Certificates must have affixed to them CDC's common seal, or otherwise be executed in accordance with the Companies Acts.
- (E) The time limit for CDC to provide a share certificate under this article 15 is as prescribed by the Companies Act 2006 or, if this is earlier, within any prescribed time limit or within a time specified when the shares were issued.

### **16. REPLACEMENT SHARE CERTIFICATE**

- (A) If a certificate issued in respect of a shareholder's shares is damaged or defaced, or said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

- (B) A shareholder exercising the right to be issued with such a replacement certificate: (i) may at the same time exercise the right to be issued with a single certificate or separate certificates; (ii) must return the certificate which is to be replaced to CDC if it is damaged or defaced; and (iii) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

**17. SHARE CERTIFICATES SENT AT SHAREHOLDER'S RISK**

Every share certificate will be sent at the risk of the shareholder or other person entitled to the certificate. CDC will not be responsible for any share certificate which is lost or delayed in the course of delivery.

**CALLS ON SHARES**

**18. CALLS**

The directors may call on shareholders to pay any money which has not yet been paid to CDC for their shares. This includes the nominal value of the shares and any premium which may be payable on those shares. The directors may also make calls on persons who are entitled to shares by law. If the terms of issue of the shares allow this, the directors may do any one or more of the following:

- (i) make calls at any time and as often as they think fit;
- (ii) decide when and where the money is to be paid;
- (iii) decide whether the money may be paid by instalments;
- (iv) cancel or postpone any call.

A shareholder who has received at least 14 clear days' notice giving details of the amount called and of the time and place for payment must pay the call as required by the notice.

If the directors call on any shareholder to pay any money under this article, he is liable for the amount of money due. The shareholder will continue to be liable even if he subsequently transfers the shares to which the call relates.

**19. TIMING OF CALLS**

A call is treated as having been made as soon as the directors have passed a resolution authorising it.

**20. INTEREST DUE ON NON-PAYMENT OF A CALL**

Where a call is made and the money due remains unpaid when due, the shareholder will be liable to pay interest on the amount unpaid from the day it is due until it has actually been paid. The directors will decide on the annual rate of interest, which must

not exceed the Bank of England base rate by more than five per cent. The shareholder will also be liable to pay all expenses incurred by CDC as a result of the non-payment of the call. The directors may decide to forego payment of any or all of such interest or expenses.

**21. SUMS DUE ON ALLOTMENT TREATED AS CALLS**

If the terms of a share require any money to be paid at the time of allotment, or at any other fixed date, the money due will be treated in the same way as a valid call for money on shares which is due on the same date. If this money is not paid, everything in these articles relating to non-payment of calls applies. This includes articles which allow CDC to forfeit or sell shares and to claim interest.

**22. POWER TO DIFFERENTIATE**

On or before an issue of shares, the directors may decide that shareholders may be called on to pay different amounts or that they may be called on at different times.

**23. PAYMENT OF CALLS IN ADVANCE**

The directors may accept payment in advance of some or all of the money from a shareholder before he is called on to pay that money. The directors may agree to pay interest on money paid in advance until it would otherwise be due to CDC. The rate of interest will be decided by the directors, but must not exceed the Bank of England base rate by more than five per cent. unless CDC passes an ordinary resolution to allow a higher rate.

**24. NOTICE IF CALL OR INSTALLMENT NOT PAID**

If a shareholder fails to pay the whole or any part of a call or an instalment of a call when due, the directors may send the shareholder a notice requiring payment of the unpaid amount, together with any interest accrued and any expenses incurred by CDC as a result of the failure to pay.

**FORFEITURE OF SHARES**

**25. FORM OF NOTICE**

This notice must:

- (i) demand payment of the amount immediately payable, plus any interest and expenses;
- (ii) give the date by when the total amount due must be paid. This must be at least 14 clear days after the date of the notice;
- (iii) state where the payment must be made; and

- (iv) state that if the full amount demanded is not paid by the time and at the place stated, CDC can forfeit the shares on which the call or instalment is outstanding.

## **26. FORFEITURE FOR NON-COMPLIANCE WITH NOTICE**

If the notice is not complied with, the shares it relates to can be forfeited at any time while any amount is still outstanding. This is done by the directors passing a resolution stating that the shares have been forfeited. The forfeiture will extend to all dividends and other sums payable in respect of the forfeited shares which have not been paid before the forfeiture. The directors may accept the surrender of any share which would otherwise be forfeited. Where they do so, references in these articles to forfeiture include surrender.

## **27. NOTICE AFTER FORFEITURE**

After a share has been forfeited, CDC will notify the person whose share has been forfeited. However, the share will still be forfeited even if such notice is not given.

## **28. SALE OF FORFEITED SHARES**

- (A) A forfeited share becomes the property of CDC and the directors may sell or dispose of it on any terms and in any way that they decide. This can be with, or without, a credit for any amount previously paid up for the share. It can be sold or disposed of to any person, including the previous shareholder or the person who was previously entitled to the share by law. The directors may, if necessary, authorise any person to transfer a forfeited share.
- (B) After a share has been forfeited, the directors may cancel the forfeiture, but only before the share has been sold or disposed of. This cancellation of forfeiture may be on any terms the directors decide.

## **29. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

When a person's shares have been forfeited, he will lose all rights as shareholder in respect of those forfeited shares. He must return any share certificate for the forfeited shares to CDC for cancellation. However, he will remain liable to pay calls which have been made, but not paid, before the shares were forfeited. He must pay interest on any unpaid amount until it is paid. The shareholder also continues to be liable for all claims and demands which CDC could have made relating to the forfeited share. The shareholder must pay interest on any unpaid amount until it is paid. The directors may fix the rate of interest, but it must not exceed the Bank of England base rate by more than five per cent. He is not entitled to any credit for the value of the share when it was forfeited or for any consideration received on its disposal unless the directors decide to allow credit for all or any of that value.

### **30. STATUTORY DECLARATION AS TO FORFEITURE**

(A) A director or the secretary may make a statutory declaration declaring:

- (i) that he is a director or the secretary of CDC;
- (ii) that a share has been properly forfeited under the articles; and
- (iii) when the share was forfeited.

The declaration will be evidence of these facts which cannot be disputed.

(B) If such a declaration is delivered to a shareholder along with a completed transfer form (if one is required), this gives the buyer good title. The new shareholder does not need to take any steps to see how any money paid for the share is used. His ownership of the share will not be affected if the steps taken to forfeit, sell or dispose of the share were invalid or irregular, or if anything that should have been done was not done.

### **LIEN**

### **31. CDC'S LIEN ON PARTLY PAID SHARES**

CDC has a lien (i.e. a legal claim) on all partly paid shares. This lien has priority over claims of others to the shares. The lien is for any money owed to CDC for the shares. The directors may decide to give up any lien which has arisen and can also decide to suspend any lien which would otherwise apply to particular shares.

### **32. ENFORCING THE LIEN BY SALE**

If a shareholder fails to pay CDC any amount due on his partly paid shares, the directors may enforce CDC's lien by selling all or any of them in any way they decide. The directors may not, however, sell the shares until all the following conditions are met:

- (i) the money owed by the shareholder must be payable immediately;
- (ii) the directors must have given written notice to the shareholder. The notice must state the amount of money due, it must demand payment of this sum and state that the shareholders' shares may be sold if the money is not paid within the relevant period;
- (iii) the notice must have been served on the shareholder or on any person who is entitled to the shares by law and can be served in any way that the directors decide; and
- (iv) the money has not been paid by at least 14 clear days after the notice has been served.

The directors may authorise any person to sign a document transferring the shares. Any such transferee will not be bound to ensure that his purchase moneys are transferred to the person whose shares have been sold, nor will his ownership of the shares be affected by any irregularity or invalidity in relation to the sale to him.

### **33. APPLICATION OF PROCEEDS BY SALE**

If the directors sell any shares on which CDC has a lien, the proceeds will first be used to pay CDC's expenses associated with the sale. The remaining money will be used to pay off the amount which is then payable on the shares and any balance will be passed to the former shareholder or to any person who would otherwise be entitled to the shares by law. CDC's lien will also apply to any such balance to cover any money still due to it in respect of the shares which is not immediately payable. CDC has the same rights over the money as it had over the shares immediately before they were sold. CDC need not pay over anything until the certificate representing the shares sold has been delivered to it for cancellation.

## **TRANSFER OF SHARES**

### **34. TRANSFER**

- (A) Unless these articles state otherwise, any shareholder may transfer some or all of his shares to another person. A transfer of shares must be made in writing and either in the usual standard form or in any other form approved by the directors.
- (B) The person making a transfer will continue to be treated as a shareholder until the name of the person to whom the share is being transferred is put on the register for that share.

### **35. EXECUTION OF TRANSFER FORM**

- (A) A share transfer form must be signed or made effective in some other way by, or on behalf of, the person making the transfer.
- (B) Where the share is not fully paid, the share transfer form must also be signed or made effective in some other way by, or on behalf of, the person to whom the share is being transferred.
- (C) If CDC registers a transfer of a share, it can keep the transfer form.

### **36. RIGHTS TO DECLINE REGISTRATION OF PARTLY PAID SHARES**

The directors may refuse to register the transfer of any share which is not fully paid.

### **37. OTHER RIGHTS TO DECLINE REGISTRATION**

- (A) The directors may refuse to register the transfer of any share unless:

- (i) the share transfer is in respect of only one class of share;
  - (ii) the transfer is in favour of not more than four joint holders; and
  - (iii) the share transfer form is properly stamped to show payment of any applicable stamp duty or certified or otherwise shown to the satisfaction of the directors to be exempt from stamp duty and is delivered to the office, or any other place decided on by the directors accompanied by the share certificate relating to the shares being transferred (unless the transfer is being made by a person to whom CDC was not required to, and did not send, a certificate) and any other evidence as the directors (acting reasonably) may require to show that the person wishing to transfer the share is entitled to do so and, if the share transfer form is signed by another person on behalf of the person making the transfer, evidence of the authority of that person to do so.
- (B) Where a share has not yet been entered on the register, the directors may recognise a renunciation by that person of his right to the share in favour of some other person. Such renunciation will be treated as a transfer and the directors have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

### **38. NO FEE FOR REGISTRATION**

No fee is payable to CDC for transferring shares or registering changes relating to the ownership of shares.

## **TRANSMISSION**

### **39. ELECTION OF PERSON ENTITLED BY TRANSMISSION**

- (A) Subject to these articles, a person who becomes entitled to a share by law can either be registered as the shareholder or choose another person to become the shareholder.
- (B) If a person who is entitled to a share by law wants to be registered as a shareholder, he must deliver or send a notice to CDC saying that he has made this decision. This notice will be treated as a transfer form. All the provisions of these articles about registering transfers of shares apply to it. The directors have the same power to refuse to register a person entitled to shares by law as they would have had to refuse to register a transfer by the person who was previously entitled to the shares.
- (C) If a person who is entitled to a share by law wants the share to be transferred to another person, he must do this by signing a transfer form to the person he has selected. The directors have the same power to refuse to register the person selected as they would have had to refuse to register a transfer by the person who was previously entitled to the shares.

**40. RIGHTS OF PERSONS ENTITLED BY TRANSMISSION**

- (A) Where a person becomes entitled to a share by law, the rights of the registered shareholder in relation to that share will cease to have effect.
- (B) A person who is entitled to a share by law is entitled to any dividends or other money relating to the share, even though he is not registered as the shareholder, on supplying evidence reasonably required to show his title to the share. However, the directors may send written notice to the person saying the person must either be registered as the shareholder or transfer the share to some other person. If the person entitled to a share by law does not do this within 60 days of the notice, the directors may withhold all dividends or other money relating to the share until he does.
- (C) Unless he is registered as the shareholder, the person entitled to the share by law is not entitled to:
- (i) receive notices of shareholders' meetings or attend or vote at these meetings; or
  - (ii) exercise any of the other rights of a shareholder in relation to these meetings,
- unless the directors decide to allow this.

**INVESTMENT POLICY; STATEMENT OF BUSINESS PRINCIPLES AND POLICIES****41. INVESTMENT POLICY**

- (A) CDC will have an investment policy to cover the conduct of CDC's investment business. The policy must be designed to achieve CDC's objective of maximising the creation and long-term growth of viable businesses in developing countries and achieving attractive returns for shareholders.
- (B) The policy must include a particular focus in the conduct of CDC's investment business on benefiting poorer countries, especially those in sub-Saharan Africa and South Asia.
- (C) The directors will conduct the investment business of CDC in line with the investment policy. They will establish procedures which enable them to see whether the investment policy is being complied with by CDC and, to the extent relevant, its subsidiary undertakings.
- (D) The directors will report each year in CDC's annual report on CDC's compliance with the investment policy. This report will contain sufficient information to allow a reader to make an informed assessment of the investment business of CDC and its subsidiary undertakings as against the requirements of the investment policy.
- (E) By prior arrangement, anyone may inspect a copy of the investment policy at the office during normal business hours.



- (F) The investment policy may not be altered without first:
  - (i) shareholders approving the alteration by an ordinary resolution; and
  - (ii) the special shareholder giving its written consent to the alteration.
- (G) The rights of third parties will not be affected in any way by any failure of the directors to comply with this article or the investment policy.
- (H) CDC may engage in any activities necessary or appropriate, in the reasonable opinion of the directors, to further any one or more of the objects of CDC set out in article 3 (Objects) provided that any such activity is carried on, directly or indirectly, for the purposes of or otherwise in connection with CDC's business of investing assets principally in the debts and securities of entities operating, or expected to operate, in developing countries and states.

#### **42. STATEMENT OF BUSINESS PRINCIPLES AND POLICIES**

- (A) CDC will have a statement of business principles and policies which is referred to as the code of responsible investing. The code of responsible investing must be designed to achieve what the directors consider to be social, environmental and ethical best practice in the conduct of CDC's and its subsidiary undertakings' business. The code of responsible investing must also be designed to encourage those that CDC deals with to adhere to similar business principles and policies.
- (B) The directors, acting by the development impact committee, will publish the code of responsible investing among its employees and those doing business on behalf of CDC. They will take all reasonable steps to require those individuals to conduct CDC's business in line with the code of responsible investing. They will also establish procedures which enable them, to the extent reasonably possible, to see whether the code of responsible investing is being complied with by CDC and, to the extent relevant, its subsidiary undertakings.
- (C) The directors, acting by the development impact committee, will report each year in CDC's annual report on CDC's compliance with the code of responsible investing. This report will contain sufficient information to allow a reader to make an informed assessment of the business of CDC and, to the extent relevant, its subsidiary undertakings as against the requirements of the code of responsible investing.
- (D) By prior arrangement, anyone may inspect a copy of the code of responsible investing at the office during normal business hours.
- (E) The code of responsible investing may only be altered by the board. A board resolution approving any alteration must be passed by a majority vote and the majority voting in favour of the change must include at least three members of the development impact committee.

- (F) The code of responsible investing will be supported by guidelines which will be designed to achieve the aims set out in article 42(A). These guidelines will also be published by the directors among CDC's employees and those doing business on behalf of CDC. The guidelines to the code of responsible investing may be altered by the board or by the development impact committee. A board resolution approving any alteration must be passed by a majority vote and the majority voting in favour of the change must include at least three members of the development impact committee.
- (G) The rights of third parties will not be affected in any way by any failure of the directors to comply with this article 42, the code of responsible investing or the guidelines.

### **ANNUAL GENERAL MEETINGS**

#### **43. ANNUAL GENERAL MEETINGS**

CDC must hold an annual general meeting in addition to any other general meetings held in a year. The directors will decide when and where it is to be held. The notice calling the annual general meeting must say that the meeting is the annual general meeting. Each annual general meeting must be held within a period of six months beginning with the day immediately following CDC's accounting reference date.

### **NOTICE OF MEETINGS**

#### **44. LENGTH AND FORM OF NOTICE**

- (A) At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, at least 14 clear days' written notice must be given. For any other meeting called to pass a resolution of which special notice under the Companies Acts is required, at least 28 clear days' written notice must be given.
- (B) The notice for any general meeting must state:
- (i) where the meeting is to be held;
  - (ii) the date and time of the meeting;
  - (iii) the general nature of the business of the meeting; and
  - (iv) the full text of each special resolution and the intention to propose such a resolution as a special resolution.
- (C) All shareholders must be given notice of every general meeting.
- (D) Notice of all general meetings must also be given to the auditors.

**45. OMISSION OR FAILURE TO RECEIVE NOTICE**

If any notice or other document relating to any meeting or other proceeding is accidentally not sent, or is not received, the meeting or other proceeding will not be invalid as a result.

**46. POSTPONEMENT OF GENERAL MEETINGS**

If the directors consider that it is impracticable or unreasonable to hold a general meeting on the date or at the time or place stated in the notice calling the meeting, they may move or postpone the meeting (or do both). Notice of the business of the meeting does not need to be given again. The directors must take reasonable steps to ensure that any shareholder trying to attend the meeting at the original time and place is informed of the new arrangements. If a meeting is rearranged in this way, proxy forms can be delivered as required by these articles, until 48 hours before the time of the rearranged meeting.

**PROCEEDINGS AT GENERAL MEETINGS****47. QUORUM**

Before a general meeting starts to do business, there must be a quorum present. Unless these articles say otherwise, a quorum for all purposes is one person who is entitled to vote, being a shareholder who is personally present or a proxy for the shareholder. If a quorum is not present, a chairman of the meeting can still be chosen or appointed and this will not be treated as part of the business of the meeting.

**48. PROCEDURE IF QUORUM NOT PRESENT**

- (A) This article 48 applies if a quorum is not present within five minutes of the time fixed for a general meeting to start or within any longer period not exceeding one hour which the chairman of the meeting may decide or if a quorum ceases to be present during a general meeting.
- (B) If the meeting was called by shareholders it will be cancelled. Any other meeting will be adjourned to a day (being not less than ten days later, excluding the day on which the meeting is adjourned and the day for which it is reconvened), time and place decided on by the chairman of the meeting.

**49. SECURITY ARRANGEMENTS**

The directors may put in place systems and procedures, both before and during any general meeting, which they consider to be appropriate for the proper and orderly conduct of the general meeting and the safety of people attending it. This authority includes power to refuse entry to, or eject from meetings, shareholders who fail to comply with the systems and procedures.

**50. CHAIRMAN OF GENERAL MEETING**

- (A) The chairman of the board will chair every general meeting if he is willing and able to take the chair.
- (B) If CDC does not have a chairman or if the chairman is not willing and able to take the chair, the senior independent director will chair the meeting if he is willing and able to take the chair.
- (C) If CDC does not have a chairman or a senior independent director, or if neither the chairman nor the senior independent director is willing and able to chair the meeting, after waiting five minutes from the time that a meeting is due to start, the directors who are present will choose one of themselves to chair the meeting.
- (D) If there is no director willing and able to be the chairman of the meeting, then the persons who are present at the meeting and entitled to vote will decide which one of them is to chair the meeting.
- (E) Nothing in these articles restricts or excludes any of the powers or rights of a chairman of a meeting which are given by general law.

**51. ORDERLY CONDUCT**

The chairman of a meeting may take any action he considers appropriate for proper and orderly conduct at a general meeting.

**52. ENTITLEMENT TO ATTEND AND SPEAK**

Each director may attend and speak at any general meeting. The chairman of a meeting may also allow anyone to attend and speak where he considers this to be beneficial to the business of the meeting.

**53. ADJOURNMENTS**

- (A) The chairman of a meeting can adjourn the meeting before or after it has started, and whether or not a quorum is present, if he considers that:
  - (i) there is not enough room for the number of shareholders and proxies who can and wish to attend the meeting;
  - (ii) the behaviour of the shareholders and proxies present prevents, or is likely to prevent, the business of the meeting being carried out in an orderly way; or
  - (iii) an adjournment is necessary for any other reason, so that the business of the meeting can be properly carried out.

The chairman of the meeting does not need the consent of the meeting to adjourn it for any of these reasons to a time, date and place which he decides. He may also adjourn

the meeting to a later time on the same day or indefinitely. If a meeting is adjourned indefinitely, the directors will fix the time, date and place of the adjourned meeting.

- (B) The chairman of a meeting can also adjourn a meeting which has a quorum present if this is agreed by the meeting. This can be to a time, date and place proposed by the chairman of the meeting or the adjournment can be indefinite. The chairman of the meeting must adjourn the meeting if the meeting directs him to do so. In these circumstances the meeting will decide how long the adjournment will be and where it will adjourn to. If a meeting is adjourned indefinitely, the directors will fix the time, date and place of the adjourned meeting.
- (C) A reconvened meeting can only deal with business that could have been dealt with at the meeting which was adjourned.
- (D) Meetings can be adjourned more than once.

#### **54. NOTICE OF ADJOURNMENT**

If the continuation of an adjourned meeting is to take place three months or more after it was adjourned or if business is to be considered at an adjourned meeting the general nature of which was not stated in the notice of the original meeting, notice of the adjourned meeting must be given in the same way as was required for the original meeting. Except as provided in this article 54, there is no need to give notice of the adjourned meeting or of the business to be considered there.

#### **55. AMENDMENTS TO RESOLUTIONS**

- (A) Amendments can be proposed to any resolution if they are clerical amendments or amendments to correct some other obvious error in the resolution. No other amendments can be proposed to any special resolution.
- (B) Amendments to an ordinary resolution which are within the scope of the resolution can be proposed if:
  - (i) notice of the proposed amendment has been received by CDC at the office at least two working days before the date of the meeting, or adjourned meeting; or
  - (ii) the chairman of the meeting decides that the amendment is appropriate for consideration by the meeting.

No other amendment can be proposed to an ordinary resolution. The chairman of the meeting can agree to the withdrawal of any proposed amendment before it is put to the vote.

**56. AMENDMENTS RULED OUT OF ORDER**

If the chairman of a meeting rules that a proposed amendment to any resolution under consideration is out of order, any error in that ruling will not affect the validity of a vote on the original resolution.

**VOTING AT GENERAL MEETINGS****57. VOTES OF SHAREHOLDERS**

Shareholders will be entitled to vote at a general meeting, whether on a show of hands or a poll, as provided in the legislation. Where a proxy is given discretion as to how to vote on a show of hands, this will be treated as an instruction by the relevant shareholder to vote in the way in which the proxy decides to exercise that discretion. This is subject to any special rights or restrictions as to voting which are given to any shares or upon which any shares may be held at the relevant time and to these articles.

**58. METHOD OF VOTING**

A resolution put to the vote at any general meeting will be decided on a show of hands unless a poll is demanded when, or before, the chairman of the meeting declares the result of the show of hands. Subject to the legislation, a poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) one or more shareholders at the meeting who are entitled to vote (whether present in person or by proxy).

A demand for a poll can be withdrawn if the chairman of the meeting agrees to this.

If no poll is demanded or a demand for a poll is withdrawn, any declaration by the chairman of the meeting of the result of a vote on that resolution by a show of hands will stand as conclusive evidence of the result without proof of the number or proportion of the votes recorded for or against the resolution.

**59. PROCEDURE IF POLL DEMANDED**

If a poll is demanded in the way allowed by these articles, the chairman of the meeting will decide when, where and how it will be taken. The result will be treated as the decision of the meeting at which the poll was demanded, even if the poll is taken after the meeting.

**60. WHEN POLL TO BE TAKEN**

If a poll is demanded on a vote to elect the chairman of the meeting, or to adjourn a meeting, it must be taken immediately at the meeting. Any other poll demanded can either be taken immediately or within 30 days from the date it was demanded and at a

time and place decided on by the chairman of the meeting. It is not necessary to give notice for a poll which is not taken immediately.

**61. CONTINUANCE OF OTHER BUSINESS AFTER POLL DEMANDED**

A demand for a poll on a particular matter (other than on the election of the chairman of the meeting or on the adjournment of the meeting) will not stop a meeting from continuing to deal with other matters.

**62. REPRESENTATION OF CORPORATIONS**

Where a shareholder is a corporation (including a corporation sole), it may appoint a representative to act on its behalf at any general meeting or class meeting. Where the Treasury Solicitor is a shareholder, any person authorised under section 3 of the Treasury Solicitor Act 1876 may act as its representative. A representative will be able to exercise the same powers his appointer could have exercised if it were an individual. For the purposes of these articles the appointer will be present at a meeting when the representative is present. The directors or secretary may require evidence of the representative's authority.

**63. OBJECTIONS TO OR ERRORS IN VOTING**

If any objection to the right of any person to vote is made, any votes have been counted which ought not to have been counted or which might have been rejected, or any votes are not counted which ought to have been counted, the objection or error must be raised or pointed out at the meeting (or the adjourned meeting) or poll at which the vote objected to is cast or at which the error occurs. Any objection or error must be raised with or pointed out to the chairman of the meeting, whose decision is final.

**PROXIES**

**64. APPOINTMENT OF PROXIES**

A proxy form must be in writing and signed by the shareholder appointing the proxy (or by his attorney). If a shareholder appoints more than one proxy and the proxy forms appointing those proxies would give those proxies the apparent right to exercise votes on behalf of the shareholder in a general meeting over more shares than are held by the shareholder, then each of those proxy forms will be invalid and none of the proxies so appointed will be entitled to attend, speak or vote at the relevant general meeting.

**65. RECEIPT OF PROXIES**

(A) Proxy forms which are in hard copy form must be received at the office, or at any other place specified by CDC for the receipt of appointments of proxy in hard copy form:

- (i) 48 hours (or such shorter time as the directors decide) before a meeting or an adjourned meeting;

- (ii) 24 hours (or such shorter time as the directors decide) before a poll is taken, if the poll is taken more than 48 hours after it was demanded; or
- (iii) before the end of the meeting at which the poll was demanded (or at such later time as the directors decide), if the poll is taken after the end of the meeting or adjourned meeting but not more than 48 hours after it was demanded.

If such a proxy form is signed by an attorney and the directors require this, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or in some other way approved by the directors, or an office copy) must be received with the proxy form.

- (B) Proxy forms which are in electronic form must be received at the address specified by CDC for the receipt of appointments of proxy by electronic means at least:

- (i) 48 hours (or such shorter time as the directors decide) before a meeting or an adjourned meeting;
- (ii) 24 hours (or such shorter time as the directors decide) before a poll is taken, if the poll is taken more than 48 hours after it was demanded; or
- (iii) before the end of the meeting at which the poll was demanded (or at such later time as the directors decide), if the poll is taken after the end of the meeting or adjourned meeting but not more than 48 hours after it was demanded.

If such a proxy form is signed by an attorney and the directors require this, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or in some other way approved by the directors, or an office copy) must be received at such address, at the office or at any other place specified by CDC for the receipt of such documents by the time set out above, as applicable.

- (C) If the above requirements are not complied with, the proxy will not be able to act for the person who appointed him.
- (D) If more than one valid proxy form is received in respect of the same share for use at the same meeting or poll, the one which is received last (regardless of its date or the date on which it is signed) will be treated as the valid form. If it is not possible to determine the order of receipt, none of the forms will be treated as valid.
- (E) A shareholder can attend and vote at a general meeting or on a poll even if he has appointed a proxy to attend and vote on his behalf at that meeting or on that poll.
- (F) The proceedings at a general meeting will not be invalidated where an appointment of a proxy in respect of that meeting is sent in electronic form as provided in these articles, but because of a technical problem it cannot be read by the recipient.



**66. MAXIMUM VALIDITY OF PROXY**

No appointment of a proxy shall be valid after 12 months have elapsed from the date of its receipt save that, unless the contrary is stated in it, an appointment of a proxy shall be valid for use at an adjourned meeting or a poll after a meeting or adjourned meeting even after 12 months, if it was valid for the original meeting.

**67. FORM OF PROXY**

A proxy form can be in any form which the directors approve. A proxy form gives the proxy the authority to demand a poll or to join others in demanding a poll and to vote on any amendment to a resolution put to, or any other business which may properly come before, the meeting. Unless it says otherwise, a proxy form is valid for the meeting to which it relates and also for any adjournment of that meeting.

**68. CANCELLATION OF PROXY'S AUTHORITY**

Any vote cast in the way a proxy form authorises or any demand for a poll made by a proxy will be valid even though:

- (i) the person who appointed the proxy has died or is of unsound mind;
- (ii) the proxy form has been revoked; or
- (iii) the authority of the person who signed the proxy form for the shareholder has been revoked.

Any vote cast or poll demanded by a company representative will also be valid even though his authority has been revoked.

However, this does not apply if written notice of the relevant fact has been received at the office (or at any other place specified by CDC for the receipt of proxy forms) not later than the last time at which a proxy form should have been received to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll taken.

**CLASS MEETINGS****69. SEPARATE GENERAL MEETINGS**

If a separate general meeting of shareholders of a class is called otherwise than for changing or abrogating the rights of the shares of that class, the provisions of these articles relating to general meetings will apply to such a meeting with any necessary changes. A general meeting where ordinary shareholders are the only shareholders who can attend and vote in their capacity as shareholders will also constitute a separate general meeting of the holders of the ordinary shares.

**APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTORS**

**70. NUMBER OF DIRECTORS**

CDC must have a minimum of five directors and a maximum of fifteen directors. The shareholders can change these restrictions by passing an ordinary resolution.

**71. DIRECTORS' SHAREHOLDING QUALIFICATION**

The directors are not required to hold any shares in CDC.

**72. POWER OF CDC TO APPOINT DIRECTORS**

Subject to these articles, CDC may elect any willing person to be a director, either as an extra director or to fill a vacancy where a director has stopped being a director for some reason by passing an ordinary resolution. The total number of directors must not exceed any maximum number fixed by or in accordance with these articles.

**73. POWER OF DIRECTORS TO APPOINT DIRECTORS**

Subject to these articles, the directors may appoint any willing person to be a director, either as an extra director or as a replacement for another director.

**74. APPOINTMENT OF DIRECTORS BY SPECIAL SHAREHOLDER**

- (A) The special shareholder will appoint two people to serve as non-executive directors at any time.
- (B) If a director appointed by the special shareholder stops being a director or dies, the special shareholder will replace him as soon as reasonably practicable (and, in any event, shall aim to make such replacement within three months).
- (C) The special shareholder may remove any director appointed by him.
- (D) The special shareholder may only exercise his powers under articles 74(A), 74(B), or 74(C) after consultation with the chairman.
- (E) The special shareholder must appoint or remove directors under this article by notice in writing. The notice must be signed by or on behalf of the special shareholder. The appointment or removal will take effect on the date the notice is delivered to the office or produced at a meeting of the directors.
- (F) The directors appointed by the special shareholder will automatically stop being directors when CDC redeems the special share.

**75. APPOINTMENT OF CHAIRMAN AND SENIOR INDEPENDENT DIRECTOR**

- (A) The special shareholder may appoint any willing person to be a director and chairman of CDC for such a period as the special shareholder may decide.

- (B) The directors will appoint any director as senior independent director for such a period as the directors may decide, and such person will be appointed as the senior independent director of CDC.

**76. RETIREMENT OF DIRECTORS AND RE-APPOINTMENT**

At each annual general meeting, every director shall retire from office and may offer themselves for re-appointment by, in the case of:

- (A) a director appointed by the special shareholder, the special shareholder; and
- (B) a director who has not been appointed by the special shareholder, the other shareholders.

**77. FILLING VACANCIES**

Subject to these articles, at the general meeting at which a director retires, the shareholders can pass an ordinary resolution to re-appoint the director or to appoint some other eligible person in his place.

**78. POWER OF REMOVAL OF DIRECTORS BY SPECIAL RESOLUTION**

In addition to any power to remove directors conferred by the legislation and subject to the provisions of Article 74 (Appointment of Directors by Special Shareholder), the shareholders may pass a special resolution to remove any director from office even though his time in office has not ended and may (subject to these articles) appoint a person to replace a director who has been removed in this way by passing an ordinary resolution.

**79. PERSONS ELIGIBLE AS DIRECTORS**

The only people who may be appointed as directors at a general meeting are the following:

- (i) directors retiring at the meeting;
- (ii) anyone recommended by the directors; and
- (iii) anyone nominated by the special shareholder to the office not less than seven nor more than 42 days before the day of the meeting by the delivery of: (a) a letter stating that he intends to nominate another person for election as a director; and (b) written confirmation from that person that he is willing and able to be elected.

**80. POSITION OF RETIRING DIRECTORS**

A director retiring at a general meeting retires at the end of that meeting or (if earlier) when a resolution is passed to appoint another person in the director's place. Where a retiring director is re-appointed, he continues as a director without a break.

**81. VACATION OF OFFICE BY DIRECTORS**

Any director automatically stops being a director if:

- (i) he gives CDC a written notice of resignation;
- (ii) he gives CDC a written notice in which he offers to resign and the directors decide to accept this offer;
- (iii) he is or has been suffering from mental or physical ill health and the directors pass a resolution removing him from office;
- (iv) he has missed directors' meetings (whether or not an alternate director appointed by him attends those meetings) for a continuous period of six months without permission from the directors and the directors pass a resolution removing him from office;
- (v) a bankruptcy order is made against him or he makes any arrangement or composition with his creditors generally;
- (vi) he is prohibited from being a director under the legislation;
- (vii) he ceases to be a director under the legislation or he is removed from office under these articles; or
- (viii) in the case of a director appointed by the special shareholder, all of the other directors (who must comprise at least five people) pass a resolution or sign a written notice requiring him to resign, and in the case of any of the other directors, at least three other directors pass a resolution or sign a written notice requiring him to resign.

If a director stops being a director for any reason, he will also automatically cease to be a member of any committee or sub-committee of the board.

**82. INDEMNITY OF DIRECTORS**

- (A) As far as the legislation allows this, CDC:
  - (i) may indemnify any director, former director, other officer or former officer of CDC or of any associated company against any liability;

- (ii) may purchase and maintain insurance against any liability for any director, former director, other officer or former officer of CDC or of any associated company; and
  - (iii) will indemnify every director and other officer of CDC out of its own assets against any liability incurred by him as a director or other officer in defending any civil or criminal proceedings which relate to anything done or omitted, or claimed to have been done or omitted, by him as a director or other officer of CDC:
    - (a) in which judgment is given in his favour;
    - (b) in which he is acquitted; or
    - (c) in connection with any applicable under any legislation for relief from liability in respect of any such act or omission where relief is granted to him by the court.
- (B) A director, former director, other officer or former officer of CDC or of any associated company will not be accountable to CDC or the shareholders for any benefit provided pursuant to this article. Anyone receiving such a benefit will not be disqualified from being or becoming a director of CDC.
- (C) For the purpose of this article 82, the term “associated company” shall be interpreted with reference to section 256 of the Companies Act 2006.

### **83. ALTERNATE DIRECTORS**

- (A) Any director can appoint any person (including another director) to act in his place (called an “**alternate director**”). That appointment requires the approval of the directors, unless previously approved by the directors or unless the appointee is another director. A director appoints an alternate director by sending a signed written notice of appointment to the office or to an address specified by CDC or by tabling it at a meeting of the directors, or in such other way as the directors approve.
- (B) The appointment of an alternate director ends on the happening of any event which, if he were a director, would cause him to vacate that office. It also ends if the alternate director resigns his office by written notice to CDC or if his appointor otherwise stops being a director, unless that director retires at a general meeting at which he is re-appointed. A director can also remove his alternate director by a written notice sent to the office or to an address specified by CDC or tabled at a meeting of the directors.
- (C) An alternate director is entitled to receive notices of meetings of the board. He is entitled to attend and vote as a director at any meeting at which the director appointing him is not personally present and generally at that meeting is entitled to perform all of the functions of his appointor as a director. The provisions of these articles regulating the meeting apply as if he (instead of his appointor) were a director. If he is himself a director, or he attends any meeting as an alternate director for more than one director,

he can vote cumulatively for himself and for each other director he represents but he cannot be counted more than once for the purposes of the quorum. An alternate director's signature to any resolution in writing of the directors is as effective as the signature of his appointor, unless the notice of his appointment provides to the contrary. This article 83 also applies in a similar fashion to any meeting of a committee of which his appointor is a member. Except as set out in this article, an alternate director:

- (i) does not have power to act as a director;
  - (ii) is not deemed to be a director for the purposes of these articles; and
  - (iii) is not deemed to be the agent of his appointor.
- (D) An alternate director is entitled to contract and be interested in and benefit from contracts, transactions or arrangements and to be repaid expenses and to be indemnified by CDC to the same extent as if he were a director. However, he is not entitled to receive from CDC as an alternate director any pay, except for that part (if any) of the pay otherwise payable to his appointor as his appointor may request CDC in writing to pay to his alternate director.

#### **84. EXECUTIVE DIRECTORS**

- (A) The directors or any committee authorised by the directors may:
- (i) appoint a director (excluding those directors appointed by the special shareholder) to any executive position, on such terms and for such period (subject to the provisions of the Companies Acts) as they think fit; and
  - (ii) terminate or vary an appointment at any time.

The directors or any committee authorised by the directors will decide how much remuneration a director appointed to an executive office will receive (whether as salary, commission, profit share or any other form of remuneration) and whether this is in addition to or in place of his fees as a director.

- (B) If the directors terminate the appointment, the termination will not affect any right of CDC or the director in relation to any breach of any employment contract which may be involved in the termination.

#### **85. DIRECTORS' FEES**

The total fees paid to all of the directors (excluding any payments made under any other provision of these articles) must not exceed:

- (i) £500,000 a year; or
- (ii) any higher sum decided on by an ordinary resolution at a general meeting.

**86. ADDITIONAL REMUNERATION**

The directors or any committee authorised by the directors may award extra fees to any director who, in their view, performs any special or extra services for CDC. Extra fees can take the form of salary, commission, profit-sharing or other benefits (and can be paid partly in one way and partly in another). This will be decided by the directors or any committee authorised by the directors.

**87. EXPENSES**

CDC may pay the reasonable travel, hotel and incidental expenses of each director incurred in attending and returning from general meetings, meetings of the directors or committees of the directors or any other meetings which as a director he is entitled to attend. CDC will pay all other expenses properly and reasonably incurred by each director in connection with its business or in the performance of his duties as a director.

**88. PENSIONS AND GRATUITIES FOR DIRECTORS**

- (A) The directors or any committee authorised by the directors may decide whether to provide pensions, annual payments or other benefits to any director or former director of CDC, or any relation or dependant of, or person connected to, such a person. The directors may also decide to contribute to a scheme or fund or to pay premiums to a third party for these purposes. CDC can only provide pensions and other benefits to people who are or were directors but who have not been employed by, or held an office or executive position in, CDC or any of its subsidiary undertakings or former subsidiary undertakings or any predecessor in business of CDC or any such other company or to relations or dependants of, or persons connected to, these directors or former directors if the shareholders approve this by passing an ordinary resolution.
- (B) A director or former director will not be accountable to CDC or the shareholders for any benefit provided pursuant to this article. Anyone receiving such a benefit will not be disqualified from being or becoming a director of CDC.

**89. PERMITTED INTERESTS AND VOTING**

- (A) If the legislation and these articles allow and he has disclosed the nature and extent of his interest to the directors, a director can do any one or more of the following:
- (i) have any kind of interest in any existing or proposed contract, transaction or arrangement with or involving CDC;
  - (ii) have any kind of interest in any existing or proposed contract, transaction or arrangement with or involving another company in which CDC has an interest;
  - (iii) hold any position within, or be a shareholder of, any company in which CDC has an interest; or
  - (iv) hold any other position (other than auditor) in CDC as well as being a director.

- (B) A director does not have to hand over to CDC any benefit he receives as a result of anything allowed under article 89(A).
- (C) Unless these articles say otherwise, a director cannot cast a vote on any contract, transaction, arrangement or any other kind of proposal in which he has an interest and which he knows is material. For this purpose, interests of a person who is connected with a director are added to the interests of the director himself. Interests purely as a result of an interest in CDC's shares, debentures or other securities are disregarded. A director may not be included in the quorum of a meeting in relation to any resolution he is not allowed to vote on.
- (D) However, a director can vote, and be counted in the quorum, on any resolution about any of the following things, as long as the only material interest he has in it is included in the following list:
- (i) a resolution about giving him, or any other person, any security or any indemnity for any money which he, or that other person, has lent at the request, or for the benefit, of CDC, any of its holding companies or any of its subsidiary undertakings;
  - (ii) a resolution about giving him, or any other person, any security or any indemnity for any liability which he, or that other person, has incurred at the request, or for the benefit of, CDC, any of its holding companies or any of its subsidiary undertakings;
  - (iii) a resolution about giving any security or any indemnity to any other person for a debt or obligation which is owed by CDC, any of its holding companies or any of its subsidiary undertakings, to that other person, if the director has taken responsibility for some or all of that debt or obligation. The director can take this responsibility by giving a guarantee, indemnity or security;
  - (iv) a resolution about any proposal relating to an offer of any shares or debentures or other securities for subscription or purchase by CDC, any of its holding companies or any of its subsidiary undertakings, if the director takes part because he is a shareholder, debentures or other securities, or if he takes part in the underwriting or sub-underwriting of the offer;
  - (v) a resolution about any proposal involving any other company if the director (together with any person connected with the director), has a direct or indirect interest of any kind (including an interest by holding any position in that company, or by being a shareholder of that company). This does not apply if he knows that he and any persons connected with him hold an interest in shares representing one per cent. or more of:
    - (a) any class of equity share capital of that company; or
    - (b) the voting rights in that company.



Any of these interests of one per cent. or more are treated for the purposes of this article 89(D) as being material interests;

- (vi) any arrangement for the benefit of employees of CDC, any of its holding companies or any of its subsidiary undertakings which only gives him benefits which are also generally given to the employees to whom the arrangement relates; or
  - (vii) a resolution about any proposal relating to any insurance which CDC can buy and renew for the benefit of directors or of a group of people which includes directors.
- (E) In addition, a director appointed by the special shareholder can vote, and be counted in the quorum, on any resolution involving a contract to be made with any person acting on behalf of the Crown or any company controlled or directed by a person acting on behalf of the Crown.
- (F) This article 89(F) applies if the directors are considering proposals about appointing two or more directors to positions with CDC or any company in which CDC is interested. It also applies if the directors are considering setting or changing the terms of their appointment. These proposals can be divided to deal with each director separately. If this is done, each director can vote and be included in the quorum for each resolution, except the one concerning him. But he cannot vote if the resolution relates to appointing another director to a position with a company which CDC is interested in if he has an interest of one per cent. or more in that company (in the manner described in article 89(D)).
- (G) If any question is posed at a meeting about whether a director has a material interest, or whether he can vote, and the director does not agree to abstain from voting on the issue, the question shall be referred to the chairman of the meeting (or, in the case of the chairman of the meeting, to the senior independent director). The chairman of the meeting's or the senior independent director's ruling about any other director is final and conclusive, unless the nature and extent of the director's interests have not been fairly disclosed to the directors.
- (H) For the purpose of this article 89:
- (i) a general notice given to the directors that a director has an interest of the kind stated in the notice in any contract, transaction or arrangement involving any company or person identified in the notice is treated as a standing disclosure that the director has that interest; and
  - (ii) interests which are unknown to the director and which it is unreasonable to expect him to know about are ignored.

**POWERS AND DUTIES OF THE BOARD**

**90. GENERAL POWER OF CDC VESTED IN DIRECTORS**

- (A) The directors will manage CDC's business. They can use all of CDC's powers except where these articles state that powers can only be used by the shareholders voting to do so at a general meeting. The general management powers under this article 90 are not limited in any way by specific powers given to the directors by other articles.
- (B) The directors are, however, subject to:
- (i) the provisions of the legislation;
  - (ii) the requirements of these articles; and
  - (iii) any regulations laid down by the shareholders by passing a special resolution at a general meeting.
- (C) No alteration of these articles and no special resolution shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that resolution had not been passed.

**91. BORROWING POWERS**

- (A) The directors may exercise all CDC's powers as may be necessary for the business of CDC:
- (i) to borrow money;
  - (ii) to mortgage or charge all or any of CDC's undertaking, property and assets (present and future) and uncalled capital;
  - (iii) to issue debentures and other securities; and
  - (iv) to give security for any debt, liability or obligation of CDC or of any third party.
- (B) Limitation on borrowings
- (i) The directors will limit the total borrowings of CDC and, so far as they are able, its subsidiary undertakings to ensure that the total amount of the group's borrowings does not exceed £2,000,000,000.
  - (ii) However, CDC may pass an ordinary resolution allowing such borrowings to exceed such limit.
  - (iii) Any borrowings owed by one member of the group to another will not be taken into account for the purposes of the calculation of the group's total borrowings.

## (C) Calculation of borrowings

When calculating the group's borrowings, the directors will include not only borrowings but also the following (unless these have already been included in borrowings):

- (i) the nominal value of any issued share capital and the principal amount of any debentures or borrowed money of any person where:
  - (a) a member of the group does not beneficially own such share capital or debenture or borrowed money; and
  - (b) either such share capital is not equity share capital or a member of the group has given a guarantee or indemnity for the redemption or repayment of any money due in relation to such debenture or borrowed money or a member of the group may have to buy such share capital;
- (ii) the amount outstanding under any acceptance credits opened for or in favour of any member of the group;
- (iii) the principal amount of any debenture (whether secured or unsecured) issued by any member of the group which is not beneficially owned by any other member of the group;
- (iv) the principal amount of any preference share capital of any subsidiary undertaking not owned by any member of the group;
- (v) any fixed or minimum premium payable on the final repayment of any borrowing or deemed borrowing;
- (vi) any liability under any finance lease, deferred purchase consideration arrangements or any other arrangement or instrument having the commercial effect of the borrowing or raising of money; and
- (vii) any guarantee, indemnity or other assurance against financial loss given by the company in respect of borrowings.

However, the directors will not include the following in the borrowings:

- (viii) amounts borrowed by any member of the group to repay some or all of any other borrowings of any member of the group (but this exclusion will only apply if the original debt is discharged within six months from the new borrowing);
- (ix) amounts borrowed by any member of the group subordinated to the claims of CDC's other creditors in issue from time to time;
- (x) amounts borrowed by any member of the group to finance any contract where part of the price receivable by any member of the group is guaranteed or insured by the Export Credits Guarantee Department or any other similar

government department or agency (but this exclusion will only apply up to an amount equal to the amount guaranteed or insured); or

- (xi) amounts borrowed by an undertaking which became a subsidiary undertaking of CDC after the date of the last audited balance sheet (but this exclusion will only apply up to an amount equal to the amount of borrowings of the undertaking at the time immediately after it became a subsidiary undertaking).
- (D) Any foreign currency amounts will be translated into sterling when calculating total borrowings. The exchange rate applied will be the exchange rate on:
- (i) the last business day before the date of the calculation; or
  - (ii) the last business day before the date of the audited balance sheet calculation,
- whichever exchange rate produces the lower figure.

The exchange rate will be taken as the spot rate in London which is recommended by a London clearing bank (chosen by the directors for this purpose) as the most appropriate rate for buying the relevant currency for sterling on the relevant day.

If the directors cannot obtain a recommendation the exchange rate will be taken to be any rate quoted to the directors which they reasonably believe to be the most appropriate.

- (E) The audited balance sheet of CDC will be taken as the audited balance sheet of CDC prepared for the purposes of the legislation. However, if an audited consolidated balance sheet relating to CDC and its subsidiary undertakings has been prepared for the same financial year, the audited consolidated balance sheet will be used instead. In that case, all references to reserves and profit and loss account will be taken to be references to consolidated reserves and consolidated profit and loss account respectively. Any amounts relating to outside interests in subsidiary undertakings will also be excluded.
- (F) CDC may from time to time change the accounting convention applied in the preparation of the audited balance sheet, but any new convention applied must comply with the requirements of the legislation. If CDC prepares a supplementary audited balance sheet applying a different convention from the main audited balance sheet, the main audited balance sheet will be taken as the audited balance sheet for the purposes of the calculations under these articles.
- (G) The group will be taken as CDC and its subsidiary undertakings (if any).
- (H) A certificate or report by CDC's auditors:
- (i) as to the amount of any borrowings; or

- (ii) to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time,

will be conclusive evidence of that amount or that fact.

- (l) The borrowings of a subsidiary undertaking shall not be included within the group's borrowings for the purpose of the restriction in article 91(B) if that subsidiary undertaking is an entity:
  - (i) which is recognised as an investment in the financial statements of CDC prepared in accordance with International Financial Reporting Standards and the provisions of Part 15 of the Companies Act 2006;
  - (ii) in which CDC has invested (whether directly or indirectly), in accordance with, and to facilitate the mission and objectives set out in the investment policy; and
  - (iii) which is managed and operates independently from CDC.

## **92. AGENTS AND DELEGATION TO MANAGEMENT**

- (A) Subject to articles 42 (Statement of Business Principles and Policies) and 102(E) (Delegation to Committees; Development Impact Committee):
  - (i) the directors may appoint anyone as CDC's attorney by granting a power of attorney or by authorising them in some other way. Attorneys can either be appointed directly by the directors or the directors may give someone else the power to appoint attorneys. The directors or the persons who are authorised by them to appoint attorneys can decide on the purposes, powers, authorities and discretions of attorneys, but they cannot give an attorney any power, authority or discretion which the directors do not have under these articles; and
  - (ii) the directors may decide the duration of a power of attorney and attach conditions to it. The power of attorney may include provisions which the directors decide on for the protection and convenience of anybody dealing with the attorney. The power of attorney may allow the attorney to grant any or all of his power, authority or discretion to any other person.
- (B) The directors may:
  - (i) delegate any of their authority, powers or discretions to any manager, committee of managers (including an investment committee) or agent;
  - (ii) allow managers, committees of managers or agents to delegate to another person;
  - (iii) remove any person they have appointed; and

- (iv) cancel or change anything that they have delegated, although this will not affect anybody who acts in good faith who has not had any notice of any cancellation or change.

Any appointment or delegation by the directors which is referred to in this article 92 can be on any conditions decided on by the directors.

- (C) The ability of the directors to delegate under this article 92 applies to all their powers and is not limited because certain articles refer to powers being exercised by the directors or by a committee authorised by the directors while other articles do not.

### **93. DELEGATION TO INDIVIDUAL DIRECTORS**

Subject to articles 42 (Statement of Business Principles and Policies) and 102(E) (Delegation to Committees; Development Impact Committee):

- (A) The directors may give a director any of the powers which they have jointly as directors (with power to sub-delegate). These powers may be given on terms and conditions decided on by the directors either in parallel with, or in place of, the powers of the directors acting jointly.
- (B) The directors may change the basis on which such powers are given or withdraw such powers. But if a person deals with an individual director in good faith without knowledge of the change or withdrawal, he will not be affected by it.
- (C) The ability of the directors to delegate under this article 93 applies to all their powers and is not limited because certain articles refer to powers being exercised by the directors or by a committee authorised by the directors while other articles do not.

### **94. REGISTERS**

CDC may keep an overseas, local or other register. The directors may make and change any regulations previously made by them relating to any of such registers.

### **95. PROVISION FOR EMPLOYEES**

The directors may exercise the powers under the legislation to make provision for the benefit of employees or former employees of CDC or any of its subsidiaries in connection with the cessation or transfer of the whole or part of the business of CDC or that subsidiary.

## **PROCEEDINGS OF THE BOARD**

### **96. CONDUCT OF DIRECTORS' MEETING**

The directors may decide when and where to have meetings and how they will be conducted. They may also adjourn their meetings. A directors' meeting can be called

by any director or by the secretary. The secretary must call a directors' meeting if asked to by a director.

**97. NOTICE OF DIRECTORS' MEETINGS**

Directors' meetings are called by serving a notice on all the directors. Notice of a board meeting is deemed to be duly given if it is given to him personally by word of mouth or by electronic communication to an address given by him to the Company for that purpose or sent in writing to him at his last-known address or another address given by him to the Company for that purpose. A director absent or intending to be absent from the United Kingdom may request that notices of board meetings during his absence be sent to him by electronic communication to an address given by him to the Company for that purpose. If no such request is made (and/or if no such non-United Kingdom address is given) it is not necessary to give notice of a board meeting to a director who is absent from the United Kingdom. Any director can waive notice of any directors' meeting, including one which has already taken place.

**98. QUORUM**

If no other quorum is fixed by the directors, three directors are a quorum. Subject to these articles, if a director ceases to be a director at a directors' meeting, he can continue to be present and to act as a director and be counted in the quorum until the end of the meeting if no other director objects and if otherwise a quorum of directors would not be present.

**99. DIRECTORS BELOW MINIMUM THROUGH VACANCIES**

The directors may continue to act even if one or more of them stops being a director. If the number of directors falls below the minimum which applies under these articles (including any change to that minimum number approved by an ordinary resolution of shareholders), or the number fixed as the quorum for directors' meetings, the remaining director(s) may appoint further directors and convene general meetings to make up the shortfall.

If no director or directors are willing or able to act under this article, any shareholder (excluding any shareholder solely holding shares as treasury shares) can call a general meeting to appoint extra directors(s).

**100. COMPETENCE OF MEETINGS**

A directors' meeting at which a quorum is present can exercise all the powers and discretions of the directors.

**101. VOTING**

Matters to be decided at a directors' meeting will be decided by a majority vote, subject to article 42 (Statement of Business Principles and Policies). If votes are equal, the

chairman of the meeting has a second, casting vote, subject to article 42 (Statement of Business Principles and Policies).

## **102. DELEGATION TO COMMITTEES; BUSINESS PRINCIPLES COMMITTEE**

Subject to articles 42 (Statement of Business Principles and Policies) and 102(E):

- (A) The directors may delegate any of their powers or discretions to committees of one or more directors. If the directors have delegated any power or discretion to a committee, any references in these articles to using that power or discretion include its use by the committee. Subject to article 102(E) below, any committee must comply with any regulations laid down by the directors. These regulations can require or allow people who are not directors to be members of the committee, and can give voting rights to such people, however:
- (i) there must be more directors on a committee than persons who are not directors; and
  - (ii) a resolution of the committee is only effective if a majority of the members of the committee present at the time of the resolution were directors.
- (B) Unless the directors decide not to allow this, any committee may sub-delegate any of its powers or discretions to sub-committees. Reference in these articles to committees include sub-committees permitted under this article.
- (C) If a committee consists of more than one person, the articles which regulate directors' meetings and their procedure will also apply to committee meetings (if they can apply to committee meetings), unless these are inconsistent with any regulations for the committee which have been laid down under this article.
- (D) The ability of the directors to delegate under this article 102 applies to all their powers and discretions and is not limited because certain articles refer to powers and discretions being exercised by committees authorised by directors while other articles do not.
- (E) There will be a business principles committee referred to as the development impact committee. This committee will consist of four non-executive directors, two of whom will be directors appointed by the special shareholder. The directors will delegate to the committee the power, authority and discretion to:
- (i) monitor the operation and application, and review the content of, the code of responsible investing and the related guidelines;
  - (ii) make recommendations to the board concerning such operation, application and content.

This delegation will not be capable of being revoked by the directors. Three directors, of whom two are directors appointed by the special shareholder are a quorum. Questions



arising at a meeting of the development impact committee are to be decided by a majority of votes.

- (F) Any appointment or delegation under this article 102 may be made on such terms and subject to such conditions as the directors think fit. The directors may remove any person appointed under this article 102 and may revoke or vary any delegation. Third parties dealing in good faith will not be affected by the revocation or variation.

#### **103. PARTICIPATION IN MEETINGS**

All or any of the directors or members of a committee may take part in a meeting of the directors or a committee by way of a conference telephone or any communication equipment which allows everybody to take part in the meeting by being able to hear each of the other people at the meeting and by being able to speak to all of them at the same time. A person taking part in this way will be treated as being present at the meeting and will be entitled to vote and be counted in the quorum.

#### **104. RESOLUTION IN WRITING**

A resolution in writing must be signed by all of the directors who at the time are entitled to receive notice of a directors' meeting and who would be entitled to vote on the resolution at a directors' meeting, and who together meet the quorum requirement for directors' meetings. This kind of resolution is just as valid and effective as a resolution passed by those directors at a meeting which is properly called and held. The resolution can be passed using several copies of the resolution if each copy is signed by one or more directors.

#### **105. MINUTES**

The board shall cause minutes to be made in books kept for the purpose:

- (i) of all appointments of directors and officers made by the board or the special shareholder;
- (ii) of the names of all the directors present at each meeting of the board and of any committee; and
- (iii) of all resolutions and proceedings of all meetings of CDC and of any class of members, and of the board and of any committee.

#### **106. VALIDITY OF ACTS OF DIRECTORS OR COMMITTEE**

Everything which is done by any directors' meeting, or by a committee of the directors, or by a person acting as a director, or as a member of a committee, will be valid even if it is discovered later that any director, or person acting as a director, was not properly appointed. This also applies if it is discovered later that anyone was disqualified from being a director, or had ceased to be a director or was not entitled to vote. In any of

these cases, anything done will be as valid as if there was no defect or irregularity of the kind referred to in this article.

#### **107. USE OF SEALS**

- (A) The directors must arrange for the common seal of CDC to be kept safely.
- (B) The common seal may only be used with the authority of the directors or a committee authorised by the directors.
- (C) Subject as otherwise provided in these articles, every document which is sealed using the common seal must be signed by one director and the secretary, or by two directors or by one director in the presence of a witness who attests the signature or by any other person or persons authorised by the directors.
- (D) Any document to which the common seal is applied need not be signed, unless the directors decide otherwise or the legislation requires otherwise.
- (E) The directors may resolve that the requirement for any counter-signature in this article 107 may be dispensed with on any occasion.

### **DIVIDENDS AND OTHER PAYMENTS**

#### **108. DECLARATION OF DIVIDENDS BY CDC**

CDC's shareholders can declare dividends in accordance with the rights of the shareholders by passing an ordinary resolution. No such dividend can exceed the amount recommended by the directors.

#### **109. PAYMENT OF INTERIM AND FIXED DIVIDENDS BY DIRECTORS**

If the directors consider that the financial position of CDC justifies such payments, they can:

- (i) pay the fixed or other dividends on any class of shares on the dates prescribed for the payment of those dividends; and
- (ii) pay interim dividends on shares of any class of any amounts and on any dates and for any periods which they decide.

If the directors act in good faith, they will not be liable for any loss that any shareholders may suffer because a lawful dividend has been paid on other shares which rank equally with or behind their shares.

#### **110. CALCULATION AND CURRENCY OF DIVIDENDS**

- (A) All dividends will be declared and paid in proportions based on the amounts paid up on the shares during any period for which the dividend is paid. Sums which have been

paid up in advance of calls will not count as paid up for this purpose. If the terms of any share say that it will be entitled to a dividend as if it were a fully paid up, or partly paid up, share from a particular date (in the past or future), it will be entitled to a dividend on this basis. This article 110 applies unless these articles, the rights attached to any shares, or the terms of any shares, say otherwise.

- (B) Unless the rights attached to any shares, the terms of any shares or these articles say otherwise, a dividend or any other money payable in respect of a share can be paid in whatever currency the directors decide using an exchange rate selected by the directors for any currency conversions required. The directors may also decide how any costs relating to the choice of currency will be met.

**111. AMOUNTS DUE ON SHARES MAY BE DEDUCTED FROM DIVIDENDS**

If a shareholder owes CDC any money for calls on shares or money in any other way relating to his shares, the directors may deduct any of this money from any dividend or other money payable to the shareholder on or in respect of any share held by him. Money deducted in this way can be used to pay amounts owed to CDC.

**112. NO INTEREST ON DIVIDENDS**

Unless the rights attached to any shares, or the terms of any shares, say otherwise, no dividend or other sum payable by CDC on or in respect of its shares carries a right to interest from CDC.

**113. PAYMENT PROCEDURE**

- (A) Any dividend or other money payable in cash relating to a share can be paid by:
- (i) cheque or warrant payable to the shareholder who is entitled to it or to someone else named in a written instruction from the shareholder;
  - (ii) inter-bank transfer or by other electronic means directly to an account with a bank or other financial institution (or other organisations operating deposit accounts if allowed by CDC) in the United Kingdom named in a written instruction from the person entitled to receive the payment under this article; or
  - (iii) some other way agreed between the shareholder and CDC.
- (B) Cheques and warrants are sent, and payment in any other way is made, at the risk of the person who is entitled to the money. CDC is treated as having paid a dividend if the cheque or warrant is cleared.

**114. FORFEITURE OF UNCLAIMED DIVIDENDS**

Where any dividends or other amounts payable on a share have not been claimed, the directors may invest them or use them in any other way for CDC's benefit until they are

claimed. CDC will not be a trustee of the money and will not be liable to pay interest on it. If a dividend or other money has not been claimed for 12 years after being declared or becoming due for payment, it will be forfeited and go back to CDC unless the directors decide otherwise.

#### **115. DIVIDENDS NOT IN CASH**

If recommended by the directors, CDC may pass an ordinary resolution that a dividend be paid, and the directors may decide that an interim dividend be paid, wholly or partly by distributing specific assets (and, in particular, paid up shares or debentures of any other company). Where any difficulty arises on such a distribution, the directors may resolve it as they decide. For example, they may:

- (i) authorise any person to sell and transfer any fractions;
- (ii) ignore any fractions;
- (iii) value assets for distribution purposes;
- (iv) pay cash of a similar value to adjust the rights of shareholders; and/or
- (v) vest any assets in trustees for the benefit of more than one shareholder.

#### **116. SCRIP DIVIDENDS**

The directors may offer ordinary shareholders (excluding any shareholder holding shares as treasury shares) the right to choose to receive extra ordinary shares, which are credited as fully paid up, instead of some or all of their cash dividend. Before they can do this, shareholders must have passed an ordinary resolution authorising the directors to make this offer.

- (i) The ordinary resolution can apply to some or all of a particular dividend or dividends, or it can apply to some or all of the dividends which may be declared or paid in a specified period. The specified period must not end later than the third anniversary of the date on which the ordinary resolution is passed.
- (ii) The directors may also offer shareholders the right to request new shares instead of cash for all future dividends (if a share alternative is available), until they tell CDC that they no longer wish to receive new shares.
- (iii) A shareholder will be entitled to ordinary shares whose total "relevant value" is as near as possible to the cash dividend he would have received (disregarding any tax credit), but not more than it. A certificate or report by the auditors stating the relevant value of a share for any dividend will be conclusive evidence of that value.

- (iv) After the directors have decided how many new shares ordinary shareholders will be entitled to, they can notify them in writing of their right to opt for new shares. This notice should also say how, where and when shareholders must notify CDC if they wish to receive new shares. For so long as any shareholders have opted to receive new shares in place of all future dividends, if new shares are available, CDC will not need to notify such shareholders of a right to opt for new shares. No shareholders will receive a fraction of a share. The directors may decide how to deal with any fractions left over. For example, they can decide that the benefit of these fractions belongs to CDC or that fractions are ignored or deal with fractions in some other way.
- (v) If a notice informing any shareholders of their right to opt for new shares is accidentally not sent or supplied or is not received (even if CDC becomes aware of such failure to send or supply or non-receipt), the offer will not be invalid as a result nor give rise to any claim, suit or action.
- (vi) The directors may exclude or restrict the right to opt for new shares or make any other arrangements where they decide that this is necessary or convenient to deal with any of the following legal or practical problems:
- (a) problems relating to laws of any territory, or
  - (b) problems relating to the requirements of any recognised regulatory body or stock exchange in any territory,
- or where the directors believe that for any other *bona fide* reason the right should not be given.
- (vii) If a shareholder has opted to receive new shares, no dividend on the shares for which he has opted to receive new shares (which are called the "elected shares"), will be declared or payable. Instead, new ordinary shares will be allotted on the basis set out earlier in this article. To do this, the directors will convert into capital the sum equal to the total value of the new ordinary shares to be allotted. They will use this sum to pay up in full the appropriate number of new ordinary shares. These will then be allotted and distributed to the holders of the elected shares on the basis set out above. The sum to be converted into capital can be taken from:
- (a) any amount which is then in any reserve or fund (including the share premium account, any capital redemption reserve and the profit and loss account or retained earnings); or
  - (b) any other sum which is available to be distributed.

The directors may do anything they think necessary to give effect to any such conversion into capital.

- (viii) The new ordinary shares will rank equally in all respects with the existing fully paid up ordinary shares at the time when the new ordinary shares are allotted. But, they will not be entitled to share in the dividend from which they arose, or to have new shares instead of that dividend.
- (ix) The directors may decide that new shares will not be available in place of any cash dividend. They can decide this at any time before new shares are allotted in place of such dividend, whether before or after shareholders have opted to receive new shares.
- (x) The directors may decide how any costs relating to making new shares available in place of a cash dividend will be met. For example, they can decide that an amount will be deducted from the entitlement of a shareholder under this article.
- (xi) The directors may not proceed with any election unless CDC has sufficient reserves or funds that may be capitalised, and the directors have authority to allot sufficient shares, to give effect to it after the basis of allotment is determined.

#### **117. POWER TO CAPITALISE RESERVES AND SUMS**

- (A) If recommended by the directors, CDC's shareholders can pass an ordinary resolution to capitalise any sum:
  - (i) which is part of any of CDC's reserves (including premiums received when any shares were issued, capital redemption reserves or other undistributable reserves); or
  - (ii) which CDC is holding as net profits.
- (B) Unless the ordinary resolution states otherwise, the directors will use the sum which is capitalised by setting it aside for the ordinary shareholders on the register at the close of business on the day the resolution is passed (or another date stated in the resolution or fixed as stated in the resolution) and in the same proportions as the ordinary shareholders' entitlement to dividends (or in other proportions stated in the resolution or fixed as stated in the resolution). The sum set aside may be used:
  - (i) to pay up some or all of any amount on any issued shares which has not already been called, or paid in advance; or
  - (ii) to pay up in full shares, debentures or other securities of CDC which would then be allotted and distributed, credited as fully paid, to shareholders.

However, a share premium account, a capital redemption reserve, or any reserve or fund representing unrealised profits, may only be used to pay up in full CDC's shares that are then to be allotted and distributed, credited as fully paid, to shareholders. Where the sum capitalised is used to pay up in full shares that are then to be allotted

and distributed, credited as fully paid, to shareholders, CDC is also entitled to participate in the relevant distribution in relation to any shares of the relevant class held by it as treasury shares and the proportionate entitlement of the relevant class of shareholders to the distribution will be calculated on this basis.

- (C) The directors may appoint any person to sign a contract with CDC on behalf of those who are entitled to shares, debentures or other securities under the resolution. Such a contract is binding on all concerned.

#### **118. SETTLEMENT OF DIFFICULTIES IN DISTRIBUTION**

If any difficulty arises in connection with any distribution of any capitalised reserve or fund, the directors may resolve it in any way which they decide. For example, they can deal with entitlements to fractions by deciding that the benefit of fractions belong to CDC or that fractions are ignored or deal with fractions in some other way.

#### **119. POWER TO CHOOSE ANY RECORD DATE**

This article 119 applies to any dividend on any shares, or any distribution, allotment or issue to the shareholders. This can be paid or made to the registered shareholders, or to anyone entitled in any other way, at a particular time on a particular day selected by the directors. It will be based on the number of shares registered at that time on that day, even if this is before any resolution to authorise what is being done was passed. This article 119 applies whether what is being done is the result of a resolution of the directors, or a resolution at a general meeting. The time and date can be before the dividend, distribution, allotment or issue is to be paid or made, or before any relevant resolution was passed.

### **ADMINISTRATIVE ARRANGEMENTS**

#### **120. INSPECTION OF RECORDS**

A shareholder is not entitled to inspect any of CDC's accounting records or other books or papers unless:

- (i) the legislation or a proper court order gives him that right;
- (ii) the directors authorise him to do so; or
- (iii) the shareholders authorise him to do so by ordinary resolution.

#### **121. METHOD OF SERVICE**

- (A) CDC may send or supply any notice, document, including a share certificate, or other information to a shareholder:

- (i) by delivering it to him personally;

- (ii) by addressing it to him and posting it to, or leaving it at, the shareholder's registered address;
  - (iii) as authorised in writing by the relevant shareholder; or
  - (iv) where appropriate, by sending or supplying it in electronic form to an address notified by the relevant shareholder to CDC for that purpose.
- (B) CDC may at any time and in its sole discretion choose to serve, send or supply notices, documents or other information in hard copy form alone to some or all shareholders.

#### **122. RECORD DATE FOR SERVICE**

Where CDC sends or supplies notices, documents or other information to shareholders, it can do so by reference to the shareholders' register as it stands at any time not more than 15 days before the date the notice, document or other information is sent or supplied. Any change of details on the register after that time will not invalidate the sending or supply and CDC is not obliged to send or supply the same notice, document or other information to any person entered on the shareholders' register after the date selected by CDC.

#### **123. SERVICE OF NOTICES ON PERSONS ENTITLED BY TRANSMISSION**

- (A) This article 123 applies where a shareholder has died or become bankrupt or is in liquidation, or where someone else has otherwise become entitled by law to that shareholder's shares, but is still registered as a shareholder.
- (B) A person who is entitled to that shareholder's shares by law, and who proves this to the reasonable satisfaction of the directors, can give CDC a postal address for the sending or supply of notices, documents and other information and/or an address for the purposes of communications by electronic means. If this is done, CDC may send notices, documents and other information to that address.
- (C) Otherwise, if any notice, document or other information is sent or supplied to the shareholder named on the register, this will be valid despite his death, bankruptcy or liquidation or the fact that any other event giving rise to an entitlement to the shares by law has occurred. This applies even if CDC knew about these things. If any notice, document or other information is sent or supplied in accordance with this article, there is no need to send or supply it to any other people who may be involved.
- (D) CDC may at any time and in its sole discretion choose to serve, send or supply notices, documents or other information in hard copy form alone to some or all persons who are entitled to a shareholder's shares by law.

#### **124. DEEMED DELIVERY**

- (A) If any notice, document or other information is given, sent or supplied by CDC by post, it is treated as being received the day after it was posted if first class post was used or



48 hours after it was posted if first class post was not used. In proving that any notice, document or other information was given, sent or supplied, it is sufficient to show that the envelope was properly addressed and put into the postal system with postage paid.

- (B) If any notice, document or other information is left by CDC at a shareholder's registered address or at a postal address notified to CDC in accordance with these articles by a shareholder or a person who is entitled to a share by law, it is treated as being received on the day it was left.
- (C) If any notice, document or other information is given, sent or supplied by CDC using electronic means, it is treated as being received on the day it was sent even if CDC subsequently sends a hard copy of such notice, document or other information by post. In proving that any notice, document or other information was given, sent or supplied by electronic means, it is sufficient to show that it was properly addressed.
- (D) If any notice, document or other information is given, sent or supplied by CDC by any other means authorised in writing by a shareholder, it is treated as being received when CDC has done what it was authorised to do by that shareholder.

#### **125. NOTICE WHEN POST NOT AVAILABLE**

If the postal service in the United Kingdom or any other country or jurisdiction is suspended or restricted, the directors only need to give notice of a meeting to shareholders with whom CDC may communicate by electronic means and who have provided CDC with an address for this purpose. If it becomes generally possible to send or supply notices by post in hard copy form at least six clear days before the meeting, the directors will send or supply a copy of the notice by post to those who would otherwise receive it in hard copy form by way of confirmation.

#### **126. NOTICE TO THE CROWN**

All notices required by these articles to be given to the Crown, shall be given to the Secretary of State for International Development at the Department for International Development, 22 Whitehall, London, SW1A 2EG or at such other address, or to such other emanation of the Crown, as the Secretary of State for International Development may specify in writing to the company secretary of CDC at CDC's registered office.

#### **127. PRESUMPTIONS WHERE DOCUMENTS DESTROYED**

- (A) CDC may destroy or delete:
  - (i) all transfer forms and documents sent to support a transfer, and any other documents which were the basis for making an entry by CDC on the register, after six years from the date of registration;
  - (ii) all dividend and other payment instructions and notifications of a change of address or name, after two years from the date these were recorded;

- (iii) all cancelled share certificates, after one year from the date they were cancelled; and
  - (iv) all proxy forms after one year from the date they were used if they were used for a poll, or after one month from the end of the meeting to which they relate if they were not used for a poll.
- (B) If CDC destroys or deletes a document under this article, it is conclusively treated as having been a valid and effective document in accordance with CDC's records relating to the document. Any action of CDC in dealing with the document in accordance with its terms before it was destroyed or deleted is conclusively treated as having been properly taken.
- (C) This article 127 only applies to documents which are destroyed or deleted in good faith and where CDC is not on notice of any claim to which the document may be relevant.
- (D) This article 127 does not make CDC liable if:
  - (i) it destroys or deletes a document earlier than the time limit referred to in article 127(A);
  - (ii) it does not comply with the conditions in article 127(C); or
  - (iii) it would not be liable if this article 127 did not exist.
- (E) This article 127 applies whether a document is destroyed or deleted or disposed of in some other way.

## GLOSSARY

### About the Glossary

This Glossary is to help readers understand CDC's articles. Words are explained as they are used in the articles - they might mean different things in other documents. This Glossary is not legally part of the articles and it does not affect their meaning. The explanations are intended to be a general guide - they are not precise. Words and expressions which are printed in bold in a definition have their own general explanation of their meaning which is contained in this Glossary.

**abrogate** If the **special rights** of a share are abrogated, they are cancelled or withdrawn.

**adjourn** Where a meeting breaks up, to be continued at a later time or day, at the same or a different place.

**allot** When new shares are allotted, they are set aside for the person they are intended for. This will normally be after the person has agreed to pay for a new share, or has become entitled to a new share for any other reason. As soon as a share is allotted, that person has the right to have his name put on the register of shareholders. When he has been registered, the share has also been **issued**.

**asset** Anything which is of any value to its owner.

**attorney** An attorney is a person who has been appointed to act for another person. The person is appointed by a formal document, called a "**power of attorney**".

**brokerage** Commission which is paid to a broker by a company **issuing** shares where the broker's clients have applied for shares.

**call** A call to pay money which is due on shares which has not yet been paid. This happens if CDC **issues** shares which are partly paid, where money remains to be paid to CDC for the shares. The money which has not been paid can be "called" for. If all the money to be paid on a share has been paid, the share is called a "**fully paid share**".

**capitalise** To convert some or all of the **reserves** of a company into capital (such as shares).

**capital redemption reserve** A **reserve** which a company may have to set up to maintain the level of its capital base when shares are **redeemed** or bought back.

**company representative** If a corporation owns shares, it can appoint a company representative to attend a shareholders' meeting to speak and vote for it.

**consolidate** When shares are consolidated, they are combined with other shares - for example, three £1 shares might be consolidated into one new £3 share.

**debenture** A typical debenture is a long-term borrowing by a company. The loan usually has to be repaid at a fixed date in the future and carries a fixed rate of interest.

**declare** Generally, when a dividend is declared, it becomes due to be paid.

**electronic form** A document is in electronic form if it is either sent by **electronic means** or it is sent by other means while in an electronic form e.g. a CD ROM.

**electronic means** A communication is sent by electronic means if it is sent by means of a telecommunications system. It includes fax and telephone communications and also electronic mail.

**entitled to a share by law** In some situations, a person will be entitled to have shares which are registered in somebody else's name registered in his own name or to require the shares to be transferred to another person. When a shareholder dies, his **personal representatives** have this right. If a shareholder is made bankrupt, his **trustee** in bankruptcy has the right.

**executed** A document is executed when it is signed or sealed or made valid in some other way.

**exercise** When a power is exercised, it is used.

**forfeit and forfeiture** When a share is forfeited it is taken away from the shareholder and goes back to CDC. This process is called "forfeiture". This can happen if a **call** on a **partly paid share** is not paid on time.

**fully paid shares** When all of the money or other property which is due to CDC for a share has been paid or received, a share is called a "fully paid share".

**good title** If a person has good title to a share, he owns it outright.

**holding company** A company which controls another company (for example, by owning a majority of its shares) is called the "holding company" of that other company. The other company is the **subsidiary** of the holding company.

**hard copy form** A document is in hard copy form if it is in a paper copy or similar form.

**indemnity and indemnify** If a person gives another person an indemnity, he promises to make good any losses or damage which the other might suffer. The person who gives the indemnity is said to "indemnify" the other person.

**in issue** See **issue**.

**instruments** Formal legal documents.

**issue** When a share has been issued, everything has been done by a company to make the shareholder the owner of the share. In particular, the shareholder's name has been put on the register. Existing shares which have been issued are called "**in issue**".

**liabilities** Debts and other obligations.

**lien** Where CDC has a lien over shares, it can take the dividends, and any other payments relating to the shares which it has a lien over, or it can sell the shares, to repay the debt and so on.

**nominal amount or nominal value** The amount of the share shown in a company's account. The nominal value of CDC's ordinary shares is 10p. This amount is shown on the share certificate for a share. When a company **issues** new shares this can be for a price which is at a **premium** to the nominal value. When shares are bought and sold on the stock market this can be for more, or less, than the nominal value. The nominal value is sometimes also called the "par value".

**officer** The term officer includes (subject to the provisions of the articles) a director, secretary, any employee who reports directly to a director or any other person who the directors decide should be an officer.

**office copy** An extract copy of an official document, supplied by the office which holds or issued, the original.

**ordinary resolution** A decision reached by a simple majority of votes - that is by more than 50 per cent. of the votes cast.

**partly paid shares** If any money remains to be paid on a share, it is said to be partly paid. The unpaid money can be "**called**" for.

**personal representatives** A person who is entitled to deal with the property (the "estate") of a person who has died. If the person who has died left a valid will, the will appoints "executors" who are personal representatives. If the person died without a will, the courts will appoint one or more "administrators" to be the personal representatives.

**poll** On a vote taken on a poll, the number of votes which a shareholder has will depend on the number of shares which he owns. An ordinary shareholder has one vote for each share he owns. A poll vote is different to a vote taken on a **show of hands**, where each person who is entitled to vote has just one vote, however many shares he owns.

**power of attorney** A formal document which legally appoints one or more persons to act on behalf of another person.

**pre-emption rights** The right of some shareholders which is given by the legislation to be offered a proportion of certain classes of newly issued shares and other securities before they are offered to anyone else. This offer must be made on terms which are at least as favourable as the terms offered to anyone else.

**premium** If a company **issues** a new share for more than its **nominal value**, the amount above the **nominal value** is the premium.

**proxy** A proxy is a person who is appointed by a shareholder to attend a meeting and vote for that shareholder. A proxy is appointed by using a **proxy form**, which may be electronic. A

proxy does not have to be a shareholder. A proxy can vote on a poll and on a show of hands under CDC's articles.

**proxy form** A form (including an electronic form) which a shareholder uses to appoint a **proxy** to attend a meeting and vote for him. The proxy forms are sent out by CDC and must be returned to CDC before the meeting to which they relate.

**quorum** The minimum number of shareholders or directors who must be present before a shareholders' or, as appropriate, directors' meeting can start. When this number is reached, the meeting is said to be "quorate".

**rank** When either capital or income is distributed to shareholders, it is paid out according to the rank (or ranking) of the shares. For example, a share which ranks ahead of (or above) another share in sharing in a company's income is entitled to have its dividends paid first, before any dividends are paid on shares which rank below (or after) it. If there is not enough income to pay dividends on all shares, the available income must be used first to pay dividends on shares which rank first, and then to shares which rank next. The same applies for repayments of capital. Capital must be paid first to shares which rank first in sharing in CDC's capital, and then to shares which rank next. A company's preference shares (if it has any) generally rank ahead of its ordinary shares.

**redeem, redemption and redeemable** When a share is redeemed, it goes back to CDC in return for a sum of money which was fixed (or calculated from a formula fixed) before the share was **issued**. This process is called "redemption". A share which can be redeemed is called a "redeemable" share.

**renounces and renunciation** Where a share has been **allotted**, but nobody has been entered on the share register for the share, it can be renounced to another person. This transfers the right to have the share registered to another person. This process is called "renunciation".

**reserves** A fund which has been set aside in the accounts of a company - profits which are not paid out to shareholders as dividends, or used up in some other way, are held in a reserve by CDC.

**revoke** To withdraw or cancel.

**share premium account** If a new share is **issued** by a company for more than its **nominal value**, the amount above the **nominal value** is the **premium** and the total of these **premiums** is held in a **reserve** (which cannot be used to pay dividends) called the share premium account.

**show of hands** A vote where each person who is entitled to vote has just one vote, however many shares he holds.

**special resolution** A decision reached by a majority of at least 75 per cent. of votes cast.

**special rights** These are the rights of a particular class of shares as distinct from rights which apply to all shares generally. Typical examples of special rights are: where the shares **rank**; their rights to sharing in income and **assets**; and voting rights.

**statutory declaration** A formal way of declaring something in writing. Particular words and formalities must be used - these are laid down by the Statutory Declarations Act of 1835.

**sub-divide** When shares are subdivided they are split into shares which have a smaller **nominal amount**. For example, a £1 share might be subdivided into two 50p shares.

**subject to** Means that something else has priority, or prevails, or must be taken into account. When a statement is subject to something this means that the statement must be read in the light of that other thing, which will prevail if there is any conflict.

**subsidiary** A company which is controlled by another company (for example, because the other company owns a majority of its shares) is called a subsidiary of that company. This is defined in more detail in the legislation.

**subsidiary undertaking** This is a term used by the legislation. It has a wider meaning than **subsidiary**. Generally speaking, it is a company which is controlled by another company because the other company:

- has a majority of the votes in CDC, either alone or acting with others;
- is a shareholder who can appoint or remove a majority of the directors; or
- can **exercise** dominant influence over CDC because of anything in CDC's articles or because of a certain kind of contract.

**treasury shares** Shares in CDC which were bought by CDC as provided by the legislation and which have been held by CDC continuously since being bought are called treasury shares.

**trustees** People who hold property of any kind for the benefit of one or more other people under a kind of arrangement which the law treats as a "trust".

**underwriting** A person who agrees to buy new shares if they are not bought by other people underwrites the share offer.

**warrant** Similar to a cheque for a dividend.

**wind up**. The formal process to end CDC.

## Annex A

<b>Core Defining Principles</b>	
1.	CDC's core objective is delivering development impact through investing with a rigorous commercial approach; it must achieve both development impact and financial return to be successful
2.	CDC has long term horizons
3.	CDC is a leading development finance institution, always seeking to add value and demonstrate its development impact
4.	CDC's shareholder respects CDC's independence and expertise in making investment decisions
5.	CDC is committed to all regions of Africa and South Asia where poverty, lack of employment and the need for private sector investment is greatest
6.	CDC accepts greater risk than commercial investment organisations in order to achieve greater development impact
7.	CDC aims for quality of outcomes ahead of volumes of transactions or capital committed
8.	CDC is an unusually equity-led development finance institution, with a balanced and flexible approach across direct and indirect investing
9.	CDC seeks to avoid distorting the market
10.	CDC aspires to the highest standards of organisational effectiveness and governance