

Company number: 09223487

The Companies Act 2006

Company Limited by Guarantee and Not Having a Share Capital

Articles of Association

for

Global Innovation Fund

(Adopted by special resolution of the members passed on 19 September 2014)

(Amended by special resolution of the members passed on 28 November 2016)

(Amended by special resolution of the members passed on 22 October 2018)

(Amended by special resolution of the members passed on 1 February 2022)

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PREAMBLE

1. Preamble

Global Innovation Fund is a charity established exclusively for the purposes set out in article 5 of these Articles of Association. This Preamble sets out the mission which Global Innovation Fund will pursue in furthering those purposes.

- (A) Global Innovation Fund is a global innovation platform that seeks to accelerate the development, rigorous testing, and scaling of cost-effective innovations targeted at improving the lives of the World's Poor.
- (B) Global Innovation Fund will use a competition model to attract applications from innovators. Global Innovation Fund is open to supporting innovations across all relevant sectors and countries. It supports both innovations that could scale commercially and those that could scale through adoption by developing country governments, donors, and philanthropy, or through a hybrid of public and private support. It will employ staged financing, with small awards for piloting, moderate awards for testing and positioning for scale, and larger awards to transition innovations to scale which have either passed a market test or have rigorously demonstrated impact and cost effectiveness.
- (C) The mission of Global Innovation Fund is to support a portfolio of innovations that collectively open up opportunities and improve lives for hundreds of millions of people across multiple developing countries.

Nothing in this Preamble affects the interpretation of any other part of these Articles of Association.

CHAPTER 1 – GENERAL PROVISIONS

2. **Name**

2.1 The name of the company (hereinafter “**GIF**” or the “**Company**”) is Global Innovation Fund.

3. **Interpretation**

3.1 In the articles:

‘**Accounting Standards Board**’ means the body known as the Accounting Standards Board established under the articles of association of The Accounting Standards Board Limited, a company limited by guarantee and registered in England;

‘**address**’ means a postal address or, for the purposes of electronic communication, a fax number, an e-mail or postal address in each case registered with the Company;

‘**Annual General Meeting**’ means the annual general meeting of the Company to be convened and held in accordance with the provisions of these articles of association;

‘**Application Originator**’ has the meaning given in article 11.3;

‘**the articles**’ means the Company’s articles of association;

‘**Appointing Funder**’ has the meaning given to it in paragraph 2 of Part B of the Schedule hereto;

‘**Appointing Proportions**’ has the meaning given to it in paragraph 3 of Part B of the Schedule hereto;

‘**the board**’ means the Company’s board of directors as more fully described in article 27;

‘**the byelaws**’ means the Company’s byelaws as adopted in accordance with the provisions of article 46;

‘Central Register of Charities’ means the register of organisations that have been recognised as charitable in England and Wales maintained by the Commission;

‘CEO’ has the meaning given in article 27.3;

‘the Charities Act 2011’ means the UK Charities Act 2011;

‘clear days’ in relation to the period of a notice means a period excluding: (a) the day when the notice is given or deemed to be given; and (b) the day for which it is given or on which it is to take effect;

‘CLG members’ means the then current members of the Company each of whom shall be appointed in accordance with the provisions of article 11;

‘the Commission’ means the Charity Commission for England and Wales;

‘the Companies Acts’ means the Companies Acts (as defined in section 2 of the Companies Act 2006) insofar as they apply to the Company;

‘the Company’ means the company intended to be regulated by the articles;

‘connected’ means, in relation to a director:

- 3.1.1 a child, parent, grandchild, grandparent, brother or sister of the director;
- 3.1.2 the spouse or civil partner (or equivalent) of the director or of any person falling within sub clause 3.1.1 above;
- 3.1.3 a person carrying on business in partnership with the director or with any person falling within sub-clause 3.1.1 or 3.1.2 above;
- 3.1.4 an institution which is controlled:
 - (a) by the director or any connected person falling within sub-clause 3.1.1, 3.1.2, or 3.1.3 above; or
 - (b) by two or more persons falling within sub-clause 3.1.4(a), when taken together;
- 3.1.5 a body corporate in which:

- (a) the director or any connected person falling within sub- clauses 3.1.1 to 3.1.3 has a substantial interest; or
- (b) two or more persons falling within sub-clause 3.1.5(a) who, when taken together, have a substantial interest.

Sections 350 – 352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this definition.

‘Court’ means any official court or tribunal having jurisdiction over the Company;

‘directors’ means the directors of the Company. To the extent applicable, the directors are company trustees as defined by section 177 of the Charities Act 2011;

‘document’ includes, unless otherwise specified, any document sent or supplied in electronic form;

‘electronic form’ has the meaning given in section 1168 of the Companies Act 2006;

‘FCDO’ means the UK Foreign, Commonwealth and Development Office (formerly the UK Department for International Development or **‘DFID’**);

‘financial benefit’ means a benefit, direct or indirect, which is either money or has a monetary value;

‘Funders’ has the meaning given to it in paragraph 1 of Part B of the Schedule hereto (and **“Funder”** shall be construed accordingly);

‘funding cycle’ means each period in respect of which GIF seeks funding for its operations. The initial funding cycle will be the period from the date of adoption of these articles until 31 December 2017 and each subsequent funding cycle will be for a period of three calendar years from 1 January of the first calendar year of the relevant funding cycle until 31 December of the third calendar year of the relevant funding cycle;

‘GIF’ has the meaning given in article 2.1;

‘Government’ means any government or state or any department, ministry or agency or other part thereof;

‘initial board’ has the meaning given in article 29.1;

‘initial director’ has the meaning given in article 29.1;

‘initial chair’ has the meaning given in article 29.4;

‘Initial Members’ has the meaning given to it in article 11.1;

‘initial term’ has the meaning given in article 29.4;

‘innovations’ includes new technologies, business models, policy practices, insights from behavioural economics and other approaches;

‘liability’ means all costs, charges, losses, damages, expenses, penalties and liabilities of any kind and including, in particular, legal costs incurred in defending any proceedings or appearing before a court, tribunal, government authority or otherwise;

‘Marshall Foundation’ means the Douglas B. Marshall, JR Family Foundation, a 501(c)(3) charitable company incorporated under the laws of the US State of Texas;

‘the memorandum’ means the Company’s memorandum of association;

‘No Objection Procedure’ means the following procedure for the approval of decisions:

- (a) the approval by the board of the relevant decision by majority or supermajority vote as required (the **“Relevant Decision”**) (for the avoidance of doubt such decision shall not become effective unless and until approved or deemed approved by the CLG members in accordance with the remainder of the procedure set out in paragraphs (b) to (d) below);
- (b) the subsequent circulation to all CLG members, in a form reasonably satisfactory to them, of the background to the Relevant Decision and the complete text of the Relevant Decision (the date of receipt of such information by the last of the CLG members to receive the same shall be the **“Decision Receipt Date”**);
- (c) if the CLG members, within the period of 30 days from the Decision Receipt Date, by special resolution vote to reject the Relevant Decision then the Relevant Decision shall be deemed to be rejected and ineffective; and
- (d) if the CLG members either: (i) do not, within the period of 30 days from the Decision Receipt Date, by special resolution vote to reject the Relevant Decision;

or (ii) within the period of 30 days from the Decision Receipt Date pass a special resolution to approve the Relevant Decision, then the Relevant Decision shall be deemed to be made and effective from the earlier to occur of: (a) the end of the relevant period of 30 days; and (b) the date of passing of a special resolution to approve the Relevant Decision.

‘Nominee’ means, as applicable, a person selected by an Application Originator to act as a CLG member or such person as a person duly selected by an Application Originator may itself be entitled to select as a CLG member, in each case in place of the relevant Application Originator and in each case in accordance with the provisions of article 11;

‘Non-Member Funder’ has the meaning give to it in article 12.1;

‘Non-Member Funder Nominee’ has the meaning given to it in article 12.1;

‘Objects’ has the meaning given in article 5;

‘officers’ includes the directors and the secretary (if any);

‘Omidyar Network’ means the Omidyar Network Fund, Inc., a 501(c)(3) charitable company incorporated under the laws of the US State of Delaware;

‘ordinary resolution’ means a resolution of the CLG members which must be passed either: (i) in general meeting by CLG members holding more than 50% of the total voting rights of the CLG members who, being entitled to vote, do so either in person or in proxy; or (ii) by written resolution by the CLG members holding more than 50% of the total voting rights of CLG members;

‘person’ includes any individual, firm, company, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership institution, works council or employee representative body (whether or not having separate legal personality);

‘the seal’ means the common seal of the Company if it has one;

‘secretary’ means any person appointed to perform the duties of the secretary of the Company;

‘Social Investment’ has the meaning given to it by section 15 of the Charities (Protection and Social Investment) Act 2016;

‘Statement of Recommended Practice’ means a statement of recommended practice issued by the Accounting Standards Board or such other body or bodies as are prescribed for the purposes of section 464 of the Companies Act 2006;

‘special resolution’ means a resolution of the CLG members which must be passed either: (i) in general meeting by CLG members holding at least 75% of the total voting rights of the CLG members who, being entitled to vote, do so either in person or in proxy; or (ii) by written resolution by the CLG members holding at least 75% of the total voting rights of CLG members;

‘supermajority’ means a three-quarters (or 75%) vote in accordance with article 30.2;

‘Total Votes’ has the meaning given to it in paragraph 1 of Part A of the Schedule;

‘the United Kingdom’ means Great Britain and Northern Ireland;

‘the United States’ or **‘the US’** means the United States of America;

‘USAID’ means the United States Agency for International Development; and

‘World’s Poor’ means those persons living on less than USD\$5 per day and particularly those living on less than USD\$2 per day (as such thresholds shall be adjusted, in each case, either: (i) simultaneous to, and *pro rata* to, any adjustments from time to time in the World Bank’s US\$2 per day (as at the date of adoption of these articles of association) measure of individual poverty to reflect inflation; or (ii) as the board may otherwise consider appropriate in line with other widely recognized international measures of individual poverty in developing countries having followed the No Objection Procedure in respect of any such proposed adjustment.

- 3.2 Unless the context otherwise requires, in the articles words importing one gender shall include all genders, and the singular includes the plural and vice versa.
- 3.3 Unless the context otherwise requires, words or expressions contained in the articles have the same meaning as in the Companies Acts but excluding any statutory modification not in force when these articles become binding on the Company.
- 3.4 Apart from the exception mentioned in the previous paragraph a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.

3.5 None of the model forms of Articles of Association prescribed by the Companies (Model Articles) Regulations 2008 shall apply to the Company and the regulations herein shall be the Articles of Association of the Company.

4. **Liability of CLG members**

4.1 The liability of each CLG member is limited to a sum not exceeding £10, being the amount that each CLG member undertakes to contribute to the assets of the Company in the event of its being wound up while he, she or it is a CLG member or within one year after he, she or it ceases to be a CLG member, for:

4.1.1 payment of the Company's debts and liabilities incurred before he, she or it ceases to be a CLG member;

4.1.2 payment of the costs, charges and expenses of winding up; and

4.1.3 adjustment of the rights of the contributories among themselves.

CHAPTER 2 – MISSION AND SCOPE OF GIF

5. **Objects**

5.1 The objects of GIF (the "**Objects**") are:

5.1.1 the relief of those in need arising by reason of youth, age, ill-health, disability, financial hardship or other disadvantage amongst the World's Poor in developing countries for the public benefit by the provision of grants, loans, Social Investment, equity or other financial assistance to fund or otherwise assist in financing projects, programmes, or products which have the capacity to develop into large scale solutions which will have a significant impact on and further such object;

5.1.2 the relief of poverty amongst the same beneficiary group by the same means;

5.1.3 the advancement of any other charitable purpose for the public benefit by the same means.

6. **Charitable status**

As soon as reasonably practicable following the date of adoption of these articles, the Company shall apply to the Commission for registration as a charitable company under the Charities Act 2011.

7. **Location of Headquarters**

GIF will establish and maintain its registered office in the United Kingdom.

8. **Powers**

8.1 The Company has power to do anything which is calculated to further its Objects or is conducive or incidental to doing so. In particular, but without prejudice to the express provisions of these articles, the Company has power, in furtherance of its Objects but not otherwise:

8.1.1 to support the generation of evidence-based and/or market-tested innovations.

8.1.2 to accelerate the development, rigorous testing and scaling of cost-effective innovations, specifically by the following methods:

(a) providing an open global innovation platform to support piloting and testing new innovations for the World's Poor in developing countries, including both those that could scale commercially and those that could scale through funding by developing country governments, donors, and philanthropy;

(b) supporting the transition to scale of:

(i) innovations designed to scale commercially that have passed a market test, and;

(ii) innovations designed to scale through public or philanthropic support that have rigorous evidence of impact and cost effectiveness; and

(c) generating significant evidence, lessons, and knowledge to share with partner institutions as well as the broader development community.

8.1.3 to raise funds. In doing so, the Company must not itself undertake any taxable permanent trading activity and must comply with any relevant statutory regulations;

8.1.4 to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;

- 8.1.5 to sell, lease or otherwise dispose of all or any part of the property belonging to the Company. In exercising this power, the Company must comply as appropriate with sections 117 and 122 of the Charities Act 2011;
- 8.1.6 subject to the provisions of article 49, to borrow money and to charge the whole or any part of the property belonging to the Company as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The Company must comply as appropriate with sections 124 - 126 of the Charities Act 2011 if it wishes to mortgage land;
- 8.1.7 to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- 8.1.8 to establish or support any trusts, associations or institutions formed for any of the purposes included in the Objects;
- 8.1.9 subject to the exercise of such power being consistent with articles 8.1.1 and 8.1.2, to provide grants, donations or other financial support to, or to provide guarantees for the benefit of, or to subscribe debt, convertible debt or equity securities, warrants or any other securities issued by, any person for the purposes of furthering any of the purposes included in the Objects;
- 8.1.10 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other person whose purposes and objectives are similar to the Objects;
- 8.1.11 to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;
- 8.1.12 to employ and remunerate such staff as are necessary for carrying out the work of the Company. The Company may employ or remunerate a director only to the extent it is permitted to do so by article 37 and provided it complies with the conditions in that article;
- 8.1.13 to:
 - (a) deposit or invest funds;
 - (b) employ a professional fund manager; and

- (c) arrange for the investments or other property of the Company to be held in the name of a nominee;

in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000;

- 8.1.14 to provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011;
- 8.1.15 to pay out of the funds of the Company the costs of forming and registering the Company both as a company and as a charity and the costs of forming and registering one or more subsidiary companies;
- 8.1.16 without prejudice to article 7, to open and operate offices in any country in the world;
- 8.1.17 to establish and keep in funding one or more subsidiary companies, including to carry on any activity that is otherwise consistent with the Company's Objects, but which may not be exclusively charitable under the laws of England and Wales.

9. **Application of income and property**

- 9.1 The income and property of the Company shall be applied solely towards the promotion of the Objects.
- 9.2 A director (including, without limitation, an alternate director duly appointed in accordance with the provisions of these articles):
 - 9.2.1 is entitled to be reimbursed from the property of the Company or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Company;
 - 9.2.2 may benefit from trustee indemnity insurance cover purchased at the Company's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011;
 - 9.2.3 may receive an indemnity from the Company in the circumstances specified in article 45; and
 - 9.2.4 may not receive any other benefit or payment unless it is authorised by article 37.

9.3 None of the income or property of the Company may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the Company.

10. **Restrictions**

10.1 For the avoidance of doubt:

10.1.1 no substantial part of the activities of GIF shall be attempting to influence legislation; and

10.1.2 GIF shall not participate in, or intervene in, (including the publishing and distributing of statements) any political campaign on behalf of, or in opposition to, any candidate for elected public office or produce any propaganda of any kind.

10.2 For the further avoidance of doubt, the provisions of articles 10.1.1 and 10.1.2 are principally intended to prohibit GIF from undertaking activities which are prohibited to be undertaken (either directly or indirectly) by an entity funded by a Funder which is itself a not-for-profit entity and which is registered as exempt from US federal income tax in accordance with the provisions of the United States Internal Revenue Code and the scope of, and compliance by GIF with the provisions of, articles 10.1.1 and 10.1.2 shall be interpreted accordingly.¹

CHAPTER 3 – THE CLG MEMBERS OF GIF

11. **Members**

11.1 The CLG members as at the formation of the Company were MDY Legal (as Nominee for (then) DFID), Marshall Foundation (as Nominee for USAID) and Omidyar Network (together the “**Initial Members**”).

11.2 In addition or in place of the Initial Members, CLG Members may also be appointed:

¹ By way of background, failure by GIF to fully comply at all times with the provisions of articles 10.1.1 and 10.1.2 could result in excise taxes or other adverse consequences for certain of its Funders who are registered as exempt from US federal income tax in accordance with the provisions of the United States Internal Revenue Code. Article 9.2 is intended to ensure that the interpretation of the provisions of articles 10.1.1 and 10.1.2 is both as clear, relevant and as permissive for GIF as possible.

- 11.2.1 as organisations or individuals who wish to undertake to provide funding to GIF, under the provisions of Article 11.3 - 11.8; or
- 11.2.2 as individuals simultaneously holding the office of A Director, under the provisions of Article 11.9.
- 11.3 Organisations or individuals who wish to undertake to provide funding to GIF may apply to become CLG members (or to appoint a nominee who may themselves become a CLG member or who may elect to select another person to become a CLG member) of GIF (each such person an “**Application Originator**”).
- 11.4 For the avoidance of doubt:
 - 11.4.1 an Application Originator may nominate itself to be a CLG member; and
 - 11.4.2 an Application Originator may nominate another person to be, or to appoint, a CLG member in place of the Application Originator pursuant to articles 11.4 and 11.5.
- 11.5 An Application Originator must provide a written submission to the board (an “**Application**”) in a form reasonably satisfactory to the board stating:
 - 11.5.1 the amount that it intends to contribute to GIF (which shall be not less than USD 1 million or such lower amount as may be approved from time to time by following the No Objection Procedure);
 - 11.5.2 the period over which such amount will be contributed;
 - 11.5.3 whether the Application Originator intends either to become a CLG member itself or to appoint a Nominee in its place (and if a Nominee is to be appointed in place of the Application Originator details as to who such Nominee is to be);
 - 11.5.4 any restrictions on the use by GIF of the contributions to be made by the Applicant; and
 - 11.5.5 such other information as the board may require.
- 11.6 Subject to the provisions of article 15.1.3(b), the process for consideration and approval or rejection of an Application will be as follows:

- 11.6.1 the board will, within 30 days of receipt of a duly completed Application, by majority vote to either accept or reject the Application Originator or its Nominee (as the case may be) as a CLG member of GIF (for the avoidance of doubt any such vote and decision of the board shall not become effective unless and until approved or deemed approved by the CLG members in accordance with the remaining provisions of this article 11.6);
- 11.6.2 in circumstances where an Application Originator or its Nominee (as the case may be) is rejected by the board as a CLG member in accordance with article 11.6.1 above then the relevant Application and the corresponding funding shall be deemed to be rejected;
- 11.6.3 in circumstances where an Application Originator or its Nominee (as the case may be) and its corresponding funding is accepted by the board as a CLG member in accordance with article 11.6.1 above then the board shall provide to all CLG members as soon as practicable thereafter (the date of receipt of such information by the last of the CLG members to receive the same shall be the “**Receipt Date**”) in a form reasonably satisfactory to them: (i) notice of such fact in writing; (ii) the corresponding Application; and (iii) details of the number of votes that would be allocated to that Application Originator or its Nominee (as the case may be) at the outset and the number of votes that would be allocated to all other CLG members at the same time as calculated in accordance with article 24 if accepted as a CLG member; (iv) confirmation as to whether or not the board has resolved that it is appropriate and desirable that a new additional B director should be appointed to the board and whether or not a special election is to be held (and if so, the number of votes that would be allocated to each Funder in such special election in accordance with the provisions of these articles);
- 11.6.4 the CLG members may, by special resolution passed within 60 days of the Receipt Date (the “**Voting Period**”), reject any Application Originator or its Nominee as a CLG member in which case the relevant Application and the corresponding funding shall be deemed to be rejected;
- 11.6.5 in circumstances where the CLG members either: (i) do not, within the Voting Period, by special resolution reject an Application Originator or its Nominee (as the case may be) as a CLG member; or (ii) within the Voting Period pass a special resolution to approve an Application Originator or its Nominee (as the case may be), then the relevant Application and the corresponding funding shall be deemed to be accepted with effect from the earlier to occur of: (a) the end of the relevant Voting Period; and (b) the date of passing of the special resolution to approve the relevant Application Originator or its Nominee (as the case may be);

- 11.6.6 as soon as reasonably practicable following a final decision to accept or to reject any Application in accordance with the provisions of articles 11.6.1 to 11.6.5 (inclusive) above, the board will inform the relevant Application Originator and its Nominee (if applicable): (i) of such outcome; (ii) where the relevant Application has been accepted, of the number of votes allocated to that Application Originator or its Nominee (as the case may be) at the outset and the number of votes that would be allocated to all other CLG members at the same time all of which shall be calculated in accordance with article 24; and (iii) whether or not a special election to appoint a new additional B director is to be held (and if so, the number of votes that would be allocated to each Funder in such special election in accordance with the provisions of these articles).
- 11.7 For the avoidance of doubt, following its appointment as a CLG member, a Nominee may exercise all rights of a CLG member, including, but not limited to, appointing a proxy, attending, speaking and voting at a general meeting and the relevant Application Originator shall have no such rights and shall have no right to exercise such rights.
- 11.8 If a Nominee resigns as a CLG member, then the relevant Application Originator or such other person as was authorized by such Application Originator to, and did, nominate such Nominee (as the case may be), may, for so long as the relevant Application Originator continues to provide funding to GIF, propose a new Nominee or may propose itself in place of the resigning CLG member (the “**Replacement Appointee**”). A Replacement Appointee so proposed shall only be appointed as a CLG member following, and with effect from, its approval by the No Objection Procedure.
- 11.9 In addition to any CLG members appointed under the preceding clauses of this Article 11, a serving A Director (excluding the Chair) may be appointed as a CLG member, provided that:
- 11.9.1 the A Director will be nominated by the Board and then appointed by ordinary resolution of the CLG Members (excluding any outgoing A Director member);
- 11.9.2 only one A Director will serve as a CLG member at any given time;
- 11.9.3 when acting in their capacity as a CLG member, the A Director must act in the best interests of GIF;
- 11.9.4 such appointment as a CLG member shall immediately cease upon that person ceasing to be an A Director or upon any event occurring under article 15;

- 11.9.5 the A Director will not be required to commit or pay any funds to GIF and the number of votes allocated to them in their capacity as a CLG member for the purpose of Part A of the Schedule will be calculated based on the amount of US\$1,000,000 committed in the current funding cycle;
- 11.9.6 they will not have the right in their capacity as a CLG member to nominate candidates or vote in or otherwise participate in elections for B Directors;
- 11.9.7 for the avoidance of doubt, they may receive any excess votes allocated to them by another CLG member under the provisions of Schedule A and use them as they think fit, provided that where each of the other CLG Members has voted in favour of a resolution, the A Director will also be deemed to have voted in favour, regardless of the votes cast by the A Director.

12. **Non-CLG member funders**

- 12.1 The provisions of article 11 and the restrictions and procedures set out therein shall all apply equally to the extent relevant (with the relevant changes being made) in respect of persons who wish to undertake to provide funding to GIF but who do not wish, for whatever reason, either: (i) to seek to apply to become a CLG member; or (ii) to nominate another person to be, or to appoint, a CLG member in its place (a “**Non-Member Funder**”) and also to such other person (if any) as a Non-Member Funder may wish to appoint either: (x) to exercise the right to vote for the appointment and removal of B directors in place of the Non-Member Funder; or (y) to themselves appoint another person to exercise the right to vote for the appointment and removal of B directors in place of the Non-Member Funder (in each case the relevant person with the right to vote for the appointment and removal of B directors being a “**Non-Member Funder Nominee**”).

13. **Classes of CLG membership**

- 13.1 The directors may, subject to the prior approval of a special resolution of the CLG members, establish further classes of CLG membership with different rights and obligations and shall record the rights and obligations in the register of CLG members.
- 13.2 The directors may not directly or indirectly alter the rights or obligations attached to a class of CLG membership.
- 13.3 The rights attached to a class of CLG membership may only be varied if:

- 13.3.1 three-quarters of the CLG members of that class consent in writing to the variation (and a copy of such written consent is provided to all other CLG members within 7 days of the effective date of such written consent); or
- 13.3.2 a special resolution is passed at a separate general meeting of the CLG members of that class agreeing to the variation.
- 13.4 The provisions in the articles about general meetings shall apply to any meeting relating to the variation of the rights of any class of CLG members.

14. **Rights and obligations of CLG members**

Every current CLG member of the Company shall be entitled to the rights and benefits set out in the articles and in the byelaws for the time being in force and effect.

15. **Termination of CLG membership**

15.1 A CLG member's CLG membership shall be terminated with immediate effect if:

15.1.1 the CLG member dies or, if it is an organisation, ceases to exist;

15.1.2 the CLG Member was appointed under article 11.9 and ceases to be an A Director;

15.1.3 the CLG member resigns by giving not less than 30 days prior written notice to the Company (the "**Resigning Member**") provided that, for so long as FCDO remains a CLG member, if immediately following the date upon which such resignation purports to take effect there shall be not less than 3 remaining CLG members in total, then such resignation shall not be effective until the earlier to occur of:

(a) the date which is 90 days from the date of service of the written resignation notice upon the Company by the Resigning Member;

(b) subject to the provisions of article 15.2, the date upon which an additional CLG member is appointed in accordance with the provisions of article 11 (provided that, to the extent considered necessary by the board in order to expedite the process of replacing a departing CLG member, the time periods set out in article 11.6.1 for the board to consider an Application and in article 11.6.4 for the CLG members to reject an Application by special resolution may, by notice in writing to all CLG members and to all members of the board, be reduced from 30 days and 60 days respectively to 15 days and 30 days respectively (or such shorter

time period as the CLG members may by special resolution resolve)) such that following the departure of the Resigning Member there shall be not less than 3 remaining CLG members in total; and

- (c) the date upon which FCDO ceases to be a CLG member;
- 15.1.4 any sum pledged by the CLG member (or by, or on behalf of, its corresponding Application Originator as the case may be) to the Company is not paid in full within six months of it falling due (in breach of the provisions of the relevant funding instrument entered into with the Company) and the Board has not otherwise agreed to extend the deadline for payment or to cancel the pledge.
- 15.2 Without prejudice to the preceding provisions of this article 15, in the event that any CLG member wishes to resign because it reasonably believes that any current or impending future action of GIF will, of itself, cause such CLG member to be in violation of any legal or statutory requirement to which it is subject in such CLG member's home jurisdiction, whether administrative, organizational or tax related, and that such violation will materially adversely affect such CLG member, then the resigning CLG member, GIF and all other CLG members then holding office shall use their reasonable endeavours to find a suitable candidate to be the additional CLG member referred to in article 15.1.3(b) above as soon as practicable following the date upon which the resigning CLG member's resignation notice purports to take effect.

CHAPTER 4 – GENERAL MEETINGS OF THE CLG MEMBERS

16. General Meetings

- 16.1 The Company must hold its first annual general meeting within eighteen months after the date of its incorporation. The matters for consideration of an annual general meeting of the Company will include (without limitation): appointment of auditors; receiving the annual report and accounts; and such other business as may be proposed by the CLG members and/or by the board.
- 16.2 An annual general meeting must be held in each subsequent year and not more than eighteen months may elapse between successive annual general meetings.
- 16.3 Without prejudice to the rights of the CLG members to call a general meeting at any time in accordance with the provisions of the Companies Acts, the directors may call a general meeting at any time.

17. **Attendance and Speaking at General Meetings**

- 17.1 A CLG member is able to exercise the right to speak at a general meeting when that CLG member is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 17.2 A CLG member is able to exercise the right to vote at a general meeting when:
- 17.2.1 that CLG member is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 17.2.2 that CLG member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 17.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 17.4 In determining attendance at a general meeting, it is immaterial whether any two or more CLG members attending it are in the same place as each other.
- 17.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

18. **Notice of General Meetings**

- 18.1 The minimum period of notice required to hold a general meeting of the Company is fourteen clear days.
- 18.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of CLG members having a right to attend and vote at the meeting, being a majority who together hold not less than 95 percent of the total voting rights.
- 18.3 The notice must specify the date, time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so. The notice must also contain a statement setting out the right of CLG members to appoint a proxy under section 324 of the Companies Act 2006 and article 21.

18.4 The notice must be given to all the CLG members and to the directors and auditors.

19. **Proceedings at general meetings**

19.1 No business shall be transacted at any general meeting unless a quorum is present.

19.2 Quorum

19.2.1 Quorum is:

- (a) two CLG members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting; or
- (b) such number of CLG members as holds not less than 50% of the total voting rights at the time,

whichever is the greater.

19.2.2 The authorised representative of a CLG member organisation shall be counted in the quorum.

19.3 Inquorate Meetings

19.3.1 If:

- (a) a quorum is not present within one hour from the time appointed for the meeting; or
- (b) during a meeting a quorum ceases to be present,

the meeting shall be adjourned to such time and place as the directors shall determine.

19.3.2 The directors must reconvene the meeting and must give notice of the reconvened meeting stating the date, time and place of the meeting.

19.3.3 Subject to article 19.3.4, if no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting, the CLG members present in person or by proxy at that time shall constitute the quorum for that meeting.

19.3.4 The CLG members described in article 19.3.3 shall not constitute a quorum for the purposes of:

- (a) a resolution to dismiss a director of the Company; or
- (b) any decision which is expressed in these articles or the byelaws to require a special resolution of the CLG members.

20. Chairing of Meetings

- 20.1.1 The authorized representative of a CLG member may be elected to be the chairman of a general meeting by ordinary resolution of the CLG members passed at the meeting.
- 20.1.2 If no resolution is passed in accordance with article 20.1.1, the person who has been appointed to chair meetings of the directors for the time being shall chair the general meeting.
- 20.1.3 If no person has been appointed to chair meetings of the directors or he or she is not present within fifteen minutes of the time appointed for the meeting, a director nominated by the directors shall chair the meeting.
- 20.1.4 If there is only one director present and willing to act, he or she shall chair the meeting.
- 20.1.5 If no director is present and willing to chair the meeting within fifteen minutes after the time appointed for holding it, the CLG members present in person or by proxy and entitled to vote must choose one of their number to chair the meeting.

20.2 Adjournment

- 20.2.1 The CLG members present in person or by proxy at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.
- 20.2.2 The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened unless those details are specified in the resolution.
- 20.2.3 No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.
- 20.2.4 If a meeting is adjourned by an ordinary resolution of the CLG members for more than seven days, at least seven clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.

20.3 Voting

20.3.1 The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive (save in circumstances of manifest error).

20.3.2 The result of the vote must be recorded in the minutes of the Company.

21. **Content of proxy notices**

21.1 Proxies may only validly be appointed by a notice in writing (a '**proxy notice**') which:

21.1.1 states the name and address of the CLG member appointing the proxy;

21.1.2 identifies the person appointed to be that CLG member's proxy and the general meeting in relation to which that person is appointed;

21.1.3 is signed by the CLG member (or an authorized representative on behalf of the CLG member) appointing the proxy and is authenticated in such manner as the directors may determine; and

21.1.4 is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

21.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

21.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

21.4 Unless a proxy notice indicates otherwise, it must be treated as:

21.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

21.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

22. **Delivery of proxy notices**

22.1 A person who is entitled to attend, speak or vote at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

22.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

22.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

23. **Written resolutions**

23.1 A resolution in writing agreed by the holders of a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the votes of the CLG members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:

23.1.1 a copy of the proposed resolution has been sent to every CLG member;

23.1.2 the holders of a simple majority (or in the case of a special resolution a majority of not less than 75%) of the votes of the CLG members entitled to vote on the relevant matter have signified their agreement to the resolution; and

23.1.3 it is contained in a document authenticated by a director of the Company which has been received at the registered office within the period of 28 days beginning with the circulation date.

23.2 A resolution in writing may comprise several copies to which one or more CLG members have signified their agreement.

23.3 In the case of a CLG member that is an organisation, a resolution shall be signed by an authorized representative on behalf of the CLG member signifying its agreement and may be authenticated in such manner as the directors may determine.

24. **Votes of CLG members**

24.1 Subject to article 28.7 (which sets out the separate mechanics for determining the number of votes exercisable by each CLG member in the election of B directors), each CLG member shall have the number of votes as determined in accordance with the provisions of Part A of the Schedule hereto. No less than 7 days (or such shorter time as each of the CLG Members agrees) before issuing a notice of general meeting which includes a proposed special resolution of the CLG Members, or circulating a written resolution proposing a special resolution of the CLG Members, the Company must send

notice to each CLG Member of its intention to propose the special resolution, in response to which each CLG Member may share its views about such special resolution and its intentions with regard to any planned allocation of an Excess Portion (if any) pursuant to the Schedule (provided that those shared intentions shall not be binding on a member when allocating such Excess Portion).

CHAPTER 5 – THE DIRECTORS OF GIF

25. Directors

25.1 A director must be a natural person aged 16 years or older.

25.2 No one may be appointed a director if he or she would be disqualified under the provisions of article 31.

25.3 The minimum number of directors shall be three but (unless otherwise determined by ordinary resolution of the CLG members) shall not be subject to any maximum.

25.4 All directors shall be demonstrably committed to the GIF agenda and shall maintain the necessary skills and qualities required to support its Objects.

25.5 Without prejudice to the obligations of GIF to ensure that all processes to recruit directors are conducted in accordance with the underpinning principles of fairness, openness, transparency and equality of opportunity as set out in further detail in the byelaws, GIF will seek to ensure that its directors shall have diversity in gender and geography, including representation from developing countries.

26. Powers of directors

26.1 The directors shall manage the business of the Company and may exercise all the powers of the Company unless they are subject to any restrictions imposed by the Companies Acts, the articles or the byelaws.

26.2 No alteration of the articles or any resolution of the CLG members shall have retrospective effect to invalidate any prior act of the directors.

26.3 Any meeting of directors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the directors.

27. Duties of the board of directors

- 27.1 The Company shall be supervised by a non-executive board of directors (the “**board**”).
- 27.2 The board shall maintain full transparency and accountability, and shall in particular be responsible for investigating any failings in compliance or internal management. The board will commission independent external evaluations of the Company and shall have the capacity to engage external consultants for investigating any specific compliance failures or allegations or wrongdoings.
- 27.3 The board shall appoint and may dismiss a Chief Executive Officer (“**CEO**”), who shall be entrusted with the operational management of GIF and shall take primary responsibility for ensuring its aims and objectives are achieved. The CEO and the board shall be responsible for the selection of a senior management team.
- 27.4 Neither the CEO nor any member of the senior management team will be a member of the board. However, the CEO shall, save where the board resolves by simple majority to the contrary based upon the nature of any particular matter to be discussed, attend all meetings of the board and the full senior management team may also be invited to attend any or all meetings of the board.
- 27.5 The board may entrust the CEO with the implementation of the decisions taken by the board to the extent that the board have not instructed a committee to do so or decided otherwise.
- 27.6 The CEO’s appointment, as will also be the case with all other senior staff appointments to be made by the Company, shall be made in accordance with such fair, open, transparent, competitive and non-discriminatory recruitment process as shall follow the principles set out in the byelaws and as shall be approved by the CLG members by ordinary resolution.

28. **Appointment of the board**

- 28.1 The board shall comprise A directors and B directors. A directors shall be appointed in accordance with article 28.5. B directors shall be appointed in accordance with article 28.7.
- 28.2 Subject to article 28.3 and to the provisions of this article 28.2, the ratio of A directors to B directors shall at all times be as close as possible to, and no less than, 2:1 and shall at no point be, or more than, 3:1. The composition of the initial board in accordance with article 29 below, only for so long as it remains as such (being up to 6 A directors and 2

B directors or such greater number as may be permitted in accordance with article 29.6), shall for the avoidance of doubt be deemed to be in compliance with the provisions of this article 28.2.

- 28.3 In circumstances where, as a consequence of any director or directors ceasing to hold office the ratio of A directors to B directors either exceeds 3:1 or falls below 2:1 and pending the replacement of such directors by their relevant appointers (as soon as practicable thereafter) such that the ratio of A directors to B director falls back within the parameters set out in article 28.2, then the number of votes exercisable by each director in accordance with article 30 shall (for the duration of such period only) be adjusted such that the ratio of the total votes of A directors to B directors is equal to such ratio that existed immediately prior to the ratio exceeding 3:1 or falling below 2:1. The total votes of A directors shall be divided evenly among the A directors then holding office (even if such division results in a fractional vote) and no reallocation shall be made in the absence of one or more A directors at a meeting. The total votes of B directors shall be divided evenly among the B directors then holding office (even if such division results in a fractional vote) and no reallocation shall be made in the absence of one or more B directors at a meeting.
- 28.4 The A directors shall be individuals who are independent of any Funder or Application Originator (provided that this article 28.4 shall not prohibit the appointment as an A director of one person who is engaged to provide services to Omidyar Network). To the extent possible, the A directors shall be drawn equally from the following fields, as provided in further detail in the byelaws:
- 28.4.1 private for-profit sector: individuals with investment expertise (ideally in a venture-capital setting) or entrepreneurs with operational experience in a high-growth business setting who are familiar with working in developing countries and are committed to international development;
- 28.4.2 public sector: former ministers or civil servants from developing countries or officials from international organisations. These individuals should have a track record of supporting evidence-based policy and a commitment to working with the private sector;
- 28.4.3 civil society: senior leaders from civil-society organisations that have scaled up evidence-based approaches, either commercially (through sales to customers) or through financing from public and philanthropic sources; and

28.4.4 academia: researchers with extensive field experience in the developing world who also have experience designing and implementing rigorous impact evaluations.

Where the number of A directors is not divisible by four (4), GIF will seek to ensure that the ratios should be as close as possible to equal across the above fields.

28.5 The initial A directors (being those persons noted in article 29 below) shall be appointed for randomly assigned terms of two, three or four years plus such period of time as shall elapse (if any) between the date of their respective appointments and 1 January 2015 (such that the mean term length across all initial A directors shall be 40 months from the date of adoption of these articles) with the intention that their terms do not end at the same time. Replacement or additional A directors shall be appointed for a term of three years by approval by the No Objection Procedure and in accordance with the detailed procedures set out in the byelaws.

28.6 A directors shall have the right by giving advance written notice to the chair of the board to designate an alternate (such person, an “**Alternate A director**”) to attend and vote at board meetings of the Company on his or her behalf where the A director is unable to do so. The Alternate A director shall have no rights to designate a further person as an alternate.

28.7 The B directors shall be appointed by a vote of the Funders of the Company or by a Funder’s Nominee or Non-Member Funder Nominee. The rights, procedure and allocation of votes applicable to such voting are described in Part B of the Schedule.

28.8 Subject to the provisions of Part B of the Schedule, each B director shall be appointed for a term that is coterminous with the funding cycle during which that B director is to serve as a director. At the end of every funding cycle, the number of B director seats will be reallocated based on the financial contributions and commitments of each Funder applicable in respect of the immediately following funding cycle in accordance with detailed procedures set out in Part B of the Schedule.

28.9 B directors shall have the right by giving advance written notice to the board to designate an alternate (such person, an “**Alternate B director**”) to attend and vote at board meetings of the Company on his or her behalf where the B director is unable to do so. The Alternate B director shall have no rights to designate a further person as an alternate.

28.10 Where an Application Originator or its Nominee is approved as a new CLG member of the Company in accordance with article 11.6 or as a new Non-Member Funder of the

Company in accordance with article 12.1 and where the board resolves by simple majority that as a consequence of such approval it is appropriate and desirable for an additional B director to be appointed to the board, then a special election to appoint an additional B director shall be held in accordance with detailed procedures set out in the Part B of the Schedule.

29. **The initial board**

29.1 The directors of the company as at the date of adoption of these articles shall be those persons detailed in articles 29.2 and 29.3 below and shall be composed of 4 A directors and 2 B directors².

29.2 The following individuals shall be designated as the first A directors:

29.2.1 Mr Salvatore Giambanco;

29.2.2 Mr Michael Anderson;

29.2.3 Mr Russell Siegelman; and

29.2.4 Professor Esther Duflo.

29.3 The following individuals shall be designated as the first B directors:

29.3.1 Professor Stefan Dercon; and

29.3.2 Professor Michael Kremer³.

29.4 Notwithstanding the provisions of article 29.1 and subject to the provisions of article 29.6, it is intended that the initial board of the Company should be composed of 6 A directors and 2 B directors (the “**initial board**” and individually, the “**initial directors**”). Accordingly, as soon as practicable following the date of adoption of these articles, up to two (2) additional A directors shall be identified and appointed to the board by approval of the No Objection Procedure and in accordance with the detailed procedures set out in the byelaws.

² The appointment of Michael Kremer to the board of GIF is conditional upon his receipt of a waiver under Title 18 of the U.S. Code Section 208(b) from the USAID Designated Agency Ethics Official.

³ See footnote 2 above.

29.5 The first chair of the board (the “**initial chair**”) shall be a person appointed by vote of the CLG members with experience relevant to the GIF agenda who shall be appointed to serve for a term of three years (provided that the board may at any time revoke such appointment by a majority vote) (the “**initial term**”). Thereafter, the chair of the board shall be a person shall be a person with experience relevant to the GIF agenda appointed by majority vote of the board to serve for a term of three years. The board may at any time revoke such appointment by a majority vote.

29.6 If the board so resolves by supermajority and the CLG members approve by special resolution, the board may seek to identify and appoint an additional seventh A director to join the initial board notwithstanding the fact that there may only be 2 B directors then holding office (provided that any such A director must be identified and appointed to the board by approval of the No Objection Procedure and in accordance with the detailed procedures set out in the byelaws).

30. **Votes of the board**

30.1 Subject to article 28.3 above, each member of the board (whether an A director or a B director) shall have one vote.

30.2 No resolution of the board which, in accordance with the provisions of these articles, the byelaws or otherwise is required to be passed by supermajority vote of the board, shall be deemed to be so passed unless at least one B director shall vote in favour thereof.

31. **Disqualification and removal of directors**

31.1 A director shall cease to hold office if he or she:

31.1.1 ceases to be a director by virtue of any provision in the Companies Acts or is prohibited by law from being a director;

31.1.2 is disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011;

31.1.3 to the extent permitted by law, in the written opinion, given to the Company, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a director and may remain so for more than three months;

31.1.4 resigns as a director by written notice to the Company (but only if at least three directors will remain in office when the notice of resignation is to take effect);

- 31.1.5 is an A director and is absent without the permission of the directors from:
- (a) more than three consecutive directors' meetings; or
 - (b) more than half of the directors' meetings in a funding cycle;
- and the directors resolve that his or her office be vacated;
- 31.1.6 in the case of B directors only, receives notice of termination of his appointment as director of the Company from the Appointing Funder(s) holding in aggregate not less than 75% of the total votes allocated to the relevant B director on his or her appointment by the relevant Appointing Funder(s);
- 31.1.7 in the case of A directors only, is given written notice of termination of his or her appointment as director of the Company by the board following the approval of the No Objection Procedure; or
- 31.1.8 is removed from office by resolution of the CLG members in accordance with the provisions of the Companies Acts.

32. **Remuneration of directors**

- 32.1 The directors must not be paid any remuneration unless it is authorised by article 37.

CHAPTER 6 – MEETINGS OF THE BOARD

33. **Proceedings of the board**

33.1 Meetings of the board

- 33.1.1 The directors may regulate their proceedings as they think fit, subject to the provisions of the articles.
- 33.1.2 Any director may call a meeting of the board.
- 33.1.3 The secretary (if any) must call a meeting of the board if requested to do so by a director.
- 33.1.4 Notice of any board meeting must indicate:
- (a) its proposed date and time;

- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

33.1.5 At least seven (7) clear days' notice (or such shorter period as may be agreed by supermajority of the board in respect of any particular meeting) of a directors' meeting and all associated papers and documents must be given to each director.

33.2 Quorum

33.2.1 No decision may be made by a meeting of the board unless a quorum is present at the time the decision is purported to be made. '**Present**' includes being present by suitable electronic means (including by teleconference) agreed by the directors in which a participant or participants may communicate with all the other participants.

33.2.2 The quorum for any meeting of the board shall be:

- (a) the number nearest to half of the total number of A directors holding office for the time being (in the case of a fraction, the number shall be rounded up to the nearest whole number); and
- (b) the number nearest to half of the total number of B directors holding office for the time being (in the case of a fraction, the number shall be rounded up to the nearest whole number).

33.2.3 A director shall not be counted in the quorum present when any decision is made about a matter upon which that director is not entitled to vote.

33.3 Inquorate Meetings

If the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or calling a general meeting.

33.4 Chairing of Meetings

33.4.1 The chair for the time being shall chair all meetings of the board. In event of his absence from a duly convened meeting of the board or in circumstances where the chair is

otherwise unwilling or unable (due to a conflict of interest or otherwise) to preside over all, or part only of a meeting, then the directors present may appoint one of their number to chair such meeting or the relevant part thereof (as the case may be).

33.4.2 The person appointed to chair meetings of the board shall have no functions or powers except those conferred by the articles or delegated to him or her by the directors.

33.5 Written Resolutions

33.5.1 A resolution in writing or in electronic form agreed by all of the directors entitled to receive notice of a meeting of the board and to vote upon the resolution shall be as valid and effective as if it had been passed at a meeting of the board duly convened and held.

33.5.2 The resolution in writing may comprise several documents containing the text of the resolution in like form to each of which one or more directors has signified their agreement.

34. **Delegation**

34.1 The board may delegate any of their powers or functions to a committee of two or more directors (provided that any such committee which is granted delegated decision making authority rather than simply making recommendations to the board shall, save where a majority of the B directors determine to the contrary, contain at least one B director and, save where a majority of the A directors determine to the contrary, contain at least one A director) but the terms of any delegation must be recorded in the minute book.

34.2 The board may impose conditions when delegating, including the conditions that:

34.2.1 the relevant powers are to be exercised exclusively by the committee to whom they delegate;

34.2.2 no expenditure may be incurred on behalf of the Company except in accordance with a budget previously agreed with the directors.

34.3 The board may revoke or alter a delegation.

34.4 All acts and proceedings of any committees must be fully and promptly reported to the board.

35. **Board decisions**

The board will vote by simple majority, save where the articles of association or byelaws specify otherwise. If the number of votes for and against a proposal are equal then the chair or such other director who is chairing the relevant meeting of the board shall have a second or casting vote.

36. Validity of directors' decisions

36.1 Subject to article 36.2, all acts done by a meeting of the board, or of a committee of directors, shall be valid notwithstanding the participation in any vote of a director:

36.1.1 who was disqualified from holding office;

36.1.2 who had previously retired or who had been obliged by the constitution to vacate office;

36.1.3 who was not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise;

if without:

36.1.4 the vote of that director; and

36.1.5 that director being counted in the quorum;

the decision has been made by the relevant proportion of the directors at a quorate meeting.

36.2 Article 36.1 does not permit a director or a connected person to keep any benefit that may be conferred upon him or her by a resolution of the directors or of a committee of directors if, but for article 36.1, the resolution would have been void, or if the director has not complied with article 38.

CHAPTER 7 – CONFLICTS OF INTEREST OF THE DIRECTORS

37. Benefits and payments to the directors and connected persons

37.1 General Provisions

No director or connected person may:

- 37.1.1 buy any goods or services from the Company;
- 37.1.2 sell goods, services, or any interest in land to the Company; or
- 37.1.3 be employed by, or receive any financial benefit from, the Company,
unless, in each case, the payment is on arm's-length terms and is permitted by article 37.2, or is authorised by the Court or the Commission.

37.2 Scope and powers permitting directors' or connected persons' benefits

Subject to the conditions of article 37.2.4, a director or connected person:

- 37.2.1 may enter into an arm's length agreement in writing (in respect of which the relevant payment thereunder must be reasonable and proper in amount) for the supply of services, or of goods that are supplied in connection with the provision of services, to the Company, any of its subsidiary undertakings or any enterprise which has been supported by the Company in any way (whether directly or indirectly);
- 37.2.2 may receive rent for premises let by the director or connected person to the Company or any of its subsidiary undertakings. The amount of the rent and the other terms of the lease must be reasonable and proper; and
- 37.2.3 in the case of a connected person that is an institution, may receive a grant to undertake activities in pursuit of the Objects.
- 37.2.4 The conditions of this article 37.2.4 are that:
 - (a) less than 50% of the directors then holding office may benefit under the provisions of this article 37.2 at any given time;
 - (b) where a transaction of the Company will cause such benefit to arise upon entering into the transaction, that transaction must be approved in advance by a decision of the directors and the director(s) concerned must comply with article 38 in relation to that decision; and
 - (c) this article 37.2.4 shall be treated as applying to a director if it applies to a person who is connected to that director within the meaning in article 3.1.

38. **Directors' interests**

- 38.1 A director must declare the nature and extent of any interest, direct or indirect, which he or she has, or his or her connected persons have, in a proposed transaction or arrangement with the Company or any subsidiary undertaking of the Company or in any transaction or arrangement entered into by the Company or any subsidiary undertaking of the Company which has not previously been declared. For the purposes of this article 38.1, an interest includes a personal interest (including but not limited to any personal financial interest) and an interest derived from a duty of loyalty owed to another organisation or person.
- 38.2 A director must absent himself or herself from any discussions of the directors, and not count in the quorum or have any vote, on a matter in relation to which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Company and any personal interest (including but not limited to any personal financial interest) of his or hers or of his or her connected persons, provided that this article 38.2 shall not apply in relation to:
- 38.2.1 payment of premiums in respect of indemnity insurance effected in accordance with article 9;
- 38.2.2 payment under an indemnity set out at article 9; and
- 38.2.3 reimbursement of expenses in accordance with article 9.
- 38.3 For the avoidance of doubt, a director shall not be excluded by article 38.2 by reason only of that director or his or her connected person having made a grant or provided services to a person that is the subject of discussions with GIF provided that no such director or his or her connected person has received, or is to receive, or is reasonably likely to receive, any direct or indirect financial benefit in connection therewith.

39. **Conflicts of interests and conflicts of loyalties**

- 39.1 A director must absent himself or herself from any discussions of the directors, and not count in the quorum or have any vote, on a matter in relation to which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Company and a duty of loyalty owed to another organisation or person where the conflict is not authorised by virtue of any other provision in the articles. However, the unconflicted directors may authorise the director concerned to remain as a director of the Company provided that the conditions in this article 39.1 are complied with and the unconflicted directors consider it is in the interests of the Company in the circumstances applying.

- 39.2 Notwithstanding article 39.1, where a conflict of interest arises because of a duty of loyalty owed to another organisation or person specified in article 39.3, the unconflicted directors may decide to authorise such conflicts of interests and allow the director to participate in the discussions of the directors, and count in the quorum and have a vote in relation to that matter as the unconflicted directors see fit.
- 39.3 The organisations or persons specified by this article 39.3 are:
- 39.3.1 those which have provided funding to the Company; and
- 39.3.2 those which have received funding from the Company or any subsidiary undertaking of the Company where the Company or any subsidiary undertaking of the Company has appointed the relevant director to act as a nominee director (or the equivalent to that office) on behalf of the Company or any subsidiary undertaking of the Company.
- 39.4 For the avoidance of doubt, a director shall not be excluded by article 39.1 by reason only of that director or his or her connected person having made a grant or provided services to a person that is the subject of discussions with GIF provided that no such director or his or her connected person has received, or is to receive, or is reasonably likely to receive, any direct or indirect financial benefit in connection therewith
- 39.5 In this article 39, a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict to the extent that it does not involve a direct or indirect benefit of any nature to a director or to his or her connected person.
- 39.6 Where a Director or person connected with him or her has a conflict of interest and the Director has complied with his or her obligations under these articles in respect of that conflict:
- 39.6.1 the Director shall not be in breach of his or her duties to the Company by withholding confidential information from the Company if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her; and
- 39.6.2 the Director shall not be accountable to the Company for any benefit expressly permitted under these articles which he or she or any person connected with him or her derives from any matter or from any office, employment or position.

CHAPTER 8 – MISCELLANEOUS

40. **Seal**

If the Company has a seal it must only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary (if any) or by a second director.

41. **Minutes**

The directors must keep minutes of all:

- 41.1 appointments of officers made by the directors;
- 41.2 proceedings at meetings of the Company;
- 41.3 meetings of the directors and committees of directors including:
 - 41.3.1 the names of the directors present at the meeting;
 - 41.3.2 the decisions made at the meetings; and
 - 41.3.3 where appropriate the reasons for the decisions.

42. **Accounts**

- 42.1 The directors must prepare for each financial year accounts as required by the Companies Act. The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.
- 42.2 The directors must keep accounting records as required by the Companies Act.

43. **Annual Report and Return and Register of Charities**

- 43.1 To the extent applicable, the directors must comply with the requirements of the Charities Act 2011 with regard to the:
 - 43.1.1 transmission of a copy of the statements of account to the Commission;

- 43.1.2 preparation of an Annual Report and the transmission of a copy of it to the Commission;
and
- 43.1.3 preparation of an Annual Return and its transmission to the Commission.
- 43.2 To the extent applicable, the directors must notify the Commission promptly of any changes to the Company's entry on the Central Register of Charities.
- 44. **Means of communication to be used**
- 44.1 Subject to the provisions of these articles:
 - 44.1.1 anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company; and
 - 44.1.2 any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 44.2 Any notice to be given to or by any person pursuant to the articles:
 - 44.2.1 must be in writing; or
 - 44.2.2 must be given in electronic form.
- 44.3 The Company may give any notice to a CLG member (or otherwise to a Funder) either:
 - 44.3.1 personally; or
 - 44.3.2 by sending it by post in a prepaid envelope addressed to the CLG member (or Funder as the case may be) at his or her address; or
 - 44.3.3 by leaving it at the address of the CLG member (or Funder as the case may be); or
 - 44.3.4 by giving it in electronic form to the CLG member's (or Funder's as the case may be) address; or

44.3.5 by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. The notification must state that it concerns a notice of a company meeting and must specify the place, date and time of the meeting.

44.4 A CLG member (or Funder as the case may be) who does not register an address with the Company or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Company other than in electronic form.

44.5 Proof of postage

44.5.1 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.

44.5.2 Proof that an electronic form of notice was given shall be conclusive where the Company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.

44.5.3 In accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:

(a) 48 hours after the envelope containing it was posted; or

(b) in the case of an electronic form of communication, 48 hours after it was sent.

45. **Indemnity**

45.1 Indemnification of directors

45.1.1 Subject to article 45.1.2, the Company shall, to the extent permitted by sections 232 and 234 of the Companies Act 2006, indemnify a relevant director against:

(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company; and

(b) any liability incurred in by the relevant director as an officer of the Company.

45.1.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act 2006 or by any other provision of law.

45.1.3 In this article a ‘**relevant director**’ means any director or former director of the Company (including, without limitation, any alternate director or former alternate director).

45.2 Indemnification of auditors

45.2.1 The Company may indemnify an auditor against any liability incurred by him or her or it:

- (a) in defending proceedings (whether civil or criminal) in which judgment is given in his or her or its favour or he or she or it is acquitted; or
- (b) in connection with an application under section 1157 of the Companies Act 2006 (power of Court to grant relief in case of honest and reasonable conduct) in which relief is granted to him or her or it by the Court.

46. **Byelaws**

46.1 Subject to the provisions of article 46.5, the board may make and adopt such reasonable and proper byelaws as they may deem necessary or expedient for the proper conduct and management of the Company.

46.2 No byelaw shall be inconsistent with, or shall affect, restrict, alter or repeal anything contained in, the articles.

46.3 The directors shall ensure that the byelaws and any amendments thereto are brought to the notice of CLG members of the Company as soon as possible following their adoption or amendment by the directors.

46.4 The byelaws shall be binding on all CLG members of the Company.

46.5 The making and adoption by the board of any byelaws and/or the amendment or variation of any approved byelaws already made and adopted by the board shall require approval by following the No Objection Procedure.

47. **Disputes**

If a dispute arises between CLG members of the Company about the validity or propriety of anything done by the CLG members of the Company under these articles, and the

dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

48. Dissolution

48.1 The CLG members of the Company may, at any time before, and in expectation of, its dissolution resolve by ordinary resolution that any net assets of the Company after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Company be applied or transferred in any of the following ways:

48.1.1 directly for the Objects; or

48.1.2 by transfer to any charity or charities for purposes similar to the Objects; or

48.1.3 to any charity or charities for use for particular purposes that fall within the Objects.

48.2 Subject to any such resolution of the CLG members of the Company, the directors of the Company may at any time before and in expectation of its dissolution resolve that any net assets of the Company after all its debts and liabilities have been paid, or provision made for them, shall on or before dissolution of the Company be applied or transferred:

48.2.1 directly for the Objects; or

48.2.2 by transfer to any charity or charities for purposes similar to the Objects; or

48.2.3 to any charity or charities for use for particular purposes that fall within the Objects.

48.2.4 In no circumstances shall the net assets of the Company be paid to or distributed among the CLG members of the Company and if no resolution in accordance with article 48.1 is passed by the CLG members or the directors the net assets of the Company shall be applied for charitable purposes as directed by the Court or the Commission.

49. Borrowings

The Company shall not incur any borrowings or other indebtedness of any nature (other than normal trade credit) exceeding £100,000 (or the equivalent thereof) in aggregate without the prior approval of an ordinary resolution of the CLG members.

Schedule

Part A

Determination of CLG member voting rights (other than in the context of the election of B directors)

Note that the number of votes available to each CLG member in respect of any vote of the CLG members (other than in the context of the election of B directors) will be determined in accordance with the provisions of Part A of this Schedule as and when required in accordance with the provisions of these articles.

1. The number of votes available to each CLG member in respect of any vote of the CLG members at any general meeting (or in respect of any written resolution) shall be determined as at each Determination Date in accordance with the following procedures:
 - 1.1 each CLG member shall be attributed a nominal vote of 10 votes (the “**Nominal votes**”). The Nominal Votes shall be aggregated to determine a total (the “**Total Votes**”); and
 - 1.2 the Total Votes shall be allocated between the CLG members in accordance with the proportions determined in accordance with paragraph 2 below.

“**Determination Date**” means:

- in respect of a vote at a general meeting, the day preceding the date of the notice of the general meeting;
 - in respect of a written resolution, the day preceding the circulation date of the written resolution; and
 - in respect of the election of B Directors, the day preceding the date on which the ballot papers are sent to the Funders.
2. Subject to paragraphs 3, 4 and 5 below, each CLG member shall be allocated a proportion of the Total Votes proportional to the size of their individual (or in the case of a Nominee, the Application Originator’s) financial commitments to the Company (“**Individual Contributions**”) both paid during the immediately preceding funding cycle and paid or committed during the current funding cycle. In mathematical terms, if:

CLG member A’s proportion of the Total Votes = V_A

CLG member A’s Individual Contribution paid or committed for the current funding cycle = C_A

CLG member A’s Individual Contribution paid for the immediately preceding funding cycle = D_A

Total contribution pool for the current funding cycle = $C_A + C_B + \dots = C_T$

Total contribution pool for the immediately preceding funding cycle = $75\% D_A + 75\% D_B + \dots = D_T$

Then: $V_A = (75\% D_A + C_A) / (D_T + C_T)$

For the avoidance of doubt, based upon the initial financial commitments to the Company during the first funding cycle of each of DFID, Marshall Foundation (the Nominee in respect of whom the Application Originator is USAID) and Omidyar Network, the proportion of Total Votes attributable to them shall be allocated as between them based upon attributed funding commitments to the Company of US\$45,000,000, US\$45,000,000 and US\$5,000,000 respectively (or such other sums as shall be applicable between them should the financial commitment to the Company attributed to any of DFID, Marshall Foundation and Omidyar Network during the first funding cycle exceed US\$45,000,000, US\$45,000,000 and US\$5,000,000 respectively) at all times during the first funding cycle (the “**Preliminary Proportions**”).

3. (a) To the extent that any CLG member’s allocated proportion of the Total Votes shall on any Determination Date be determined to be equal to, or greater than, 75% then such CLG member’s allocated proportion shall be deemed to be equal to 74% of the total votes available and such CLG member (the “**Relevant CLG Member**”) shall be entitled (in its absolute discretion) to irrevocably (in respect of the then present resolution) allocate such portion of its votes as then cause the Relevant CLG Member’s allocated proportion of the Total Votes to exceed 74% (the “**Excess Portion**”) to such other CLG member(s) (or to such other person who may become a CLG member in accordance with the provisions of article 11.6 or article 11.9) (the “**Relevant Nominated CLG Member(s)**”) and in such proportions to such Relevant Nominated CLG Member(s) as the Relevant CLG Member shall elect. In such circumstances the Relevant Nominated CLG Member(s) may exercise the corresponding voting rights as they see fit (subject to, in the case of the A Director Member, article 11.9.7) and the allocated proportion of both the Relevant CLG Member and of the Relevant Nominated CLG Member(s) shall be deemed to be adjusted accordingly (provided that, subject always to the provisions of paragraph 4 below, in the case of FCDO, the relevant thresholds noted above in this paragraph 3 shall be deemed to be 50% and 49% respectively).

(b) In order to exercise its entitlement to allocate its Excess Portion, a Relevant CLG Member must, promptly following the Determination Date (and no later than the end of the relevant Reallocation Period) send a notice to GIF and to all other CLG members setting out the amount of the Excess Portion the Relevant CLG Member wishes to allocate to which Relevant Nominated CLG Member(s). If a Relevant CLG Member does not serve such notice before the end of the Reallocation Period, or such notice does not allocate the entire Excess Portion, then the Relevant CLG Member shall be deemed to have waived its entitlement to allocate its Excess Portion (or any unallocated portion of it) to any other person and the Excess Portion (or any unallocated portion of it) shall automatically be

allocated to the other CLG Members proportionately according to the votes attributed to them on the most recent Determination Date, who may exercise the corresponding voting rights as they shall see fit.

(c) “**Reallocation Period**” means, in respect of:

(i) a vote at a general meeting, the period beginning on the date of the notice of the meeting and ending on the date falling 3 days before the meeting, and

(ii) a written resolution, the period beginning on the circulation date of the written resolution and ending 7 days after the circulation date.

4. For so long as there are fewer than three (3) CLG members who have a right to vote in accordance with the provisions of this Schedule 1 and one such CLG member is FCDO, then FCDO shall be entitled, in its absolute discretion and by notice to the board and to all other CLG members, to irrevocably allocate such portion of its contribution to GIF (and the corresponding votes) to such other CLG member or to such other person who may become a CLG member in accordance with the provisions of article 11.6 or article 11.9) (the “**FCDO Nominated CLG Member**”) as FCDO shall elect (for the avoidance of doubt, in such circumstances the FCDO Nominated CLG Member may exercise such voting rights as may accrue to it as it shall see fit) and the allocated proportion of both FCDO and of the FCDO Nominated CLG Member shall be deemed to be adjusted accordingly.
5. On sending a notice of a general meeting or circulating a written resolution, GIF must perform the relevant calculation of votes as at the relevant Determination Date and inform each CLG Member of the votes available to it (before any reallocation of votes pursuant to paragraph 3). If any written resolution responses are returned to GIF by a CLG Member before the end of the Reallocation Period, those responses may not be altered as a result of that CLG Member receiving an allocation of votes following the end of the Reallocation Period. A determination as to whether the required majority of votes has been received in favour of the written resolution may not be made until the Reallocation Period has elapsed, except where GIF receives responses indicating unanimous approval or rejection of a written resolution before that date, in which case the resolution will be deemed approved or rejected on the date that the final unanimous response is received.
6. Without prejudice to the provisions of paragraphs 2, 3, 4 and 5 above, the following principles shall be applied in determining the value of Individual Contributions for the purposes of determining a CLG member’s allocated proportion of the Total Votes from time to time:
 - 6.1 in order to be counted towards the calculation of the proportion of the Total Votes held by any CLG member, contributions must either be paid in (“**Paid**”) or committed (“**Committed**”). For the avoidance of doubt and without prejudice to

the provisions of article 11.6 above, a non-binding contribution shall be deemed to be Committed (without limitation) in respect of any funding cycle in circumstances where, and to the extent that, a Funder, which is itself a Government and which is unable for legal or regulatory reasons to enter into binding commitments of equal (or longer) length in time to the relevant funding cycle enters into a formal written agreement with another Government which is also a Funder and/or with GIF and confirms therein in good faith that it estimates and anticipates (subject to: (i) the availability of such funds under financial, legal and regulatory provisions and procedures governing the availability of funds to such Funder; (ii) the Funder's agreement to proceed; and (iii) the satisfaction of such milestones and conditions precedent as shall be attached to the release of such funds by such Funder) that such contribution will be made available to GIF during the relevant funding cycle (provided that the agreement and satisfaction as to conditions precedent (ii) and (iii) referred to above shall not be unreasonably withheld by such Funder);

- 6.2 contributions which are not marked as being subject to any restrictions on their use (i.e. may be used to fund any eligible activities of GIF) shall be counted in full. For the avoidance of doubt, purely administrative or procedural safeguards that do not significantly restrict GIF's ability to fund proposals shall not be considered to be restrictions for such purposes; and
- 6.3 funds which are only available for specific sectors and/or for specific geographies (which for, the avoidance of doubt, will be considered to be restrictions for the purposes of this paragraph) will be valued as shall be agreed between the board and the relevant Funder subject to the prior approval by No Objection Procedure and may therefore be counted less than in full.

Part B

Determination of CLG member voting rights and applicable procedures in the context of the election of B directors

1. General

- 1.1 Subject to the provisions of paragraph 4 below, the B directors shall be elected by all CLG members and all Non-Member Funders (or their Non-Member Funder Nominee) who, in each case, are either Initial Members or whose CLG membership and/or funding commitment to GIF has been approved in accordance with the provisions of article 11.6 or article 12 as the case may be (together the “**Funders**”). For the avoidance of doubt, any person who undertakes to contribute funding to GIF and who appoints a Nominee either to be, or to appoint, a CLG member in its place or who appoints a Non-Member Funder Nominee either to vote for B directors, or to appoint a person to vote for B directors in its place, shall not have any right to vote in the election of B directors (such rights being held by its Nominee and/or Non-Member Funder Nominee as the case may be).
- 1.2 Any Funder entitled to nominate or vote in an election of B directors may, in its sole discretion, by notice in writing to the Company, decline to take up any or both such entitlements in respect of a particular election in which case the chair of the board may exercise such entitlement in place of the Funder (and in respect of the entitlement to vote, exercise the applicable number of votes allocated to that Funder). Once such a notice to decline has been received by the Company: it may not be revoked; the Company shall send all communications regarding the election to the chair; and the chair shall be entitled to exercise such entitlements in the way he or she believes to be in the best interests of the Company and in accordance with these articles and byelaws. Before exercising such entitlements, the chair must consult with and have due regard to the views of the board. The chair shall not otherwise be considered to be a Funder, a Funder Nominee or Non-Member Funder Nominee under these articles solely by virtue of any powers exercised under this paragraph. The votes cast by the chair pursuant to an entitlement to vote under this paragraph 1.2 shall, for the purposes of paragraph 4.1 only, be considered to be the votes of the Funder who declined its entitlement to vote (and as such the Funder will be considered to be the Appointing Funder in relation to such election).
- 1.3 The key principles applicable to all elections of B directors are: (i) proportionality - voting power in elections for B director seats shall be proportionate to the Funders’

financial contributions; and (ii) cumulative voting – a cumulative voting system is designed to ensure adequate representation by minority interests.

2. General elections

2.1 A general election for all B directors to hold office during the course of any funding cycle shall be held prior to the commencement of any funding cycle in accordance with the underlying procedural principles set out in paragraph 4 below. The board shall decide by simple majority the number of B directors for any forthcoming funding cycle.

2.2 Each Funder will receive the number of votes as is equal to:

- their allocated proportion of votes (as determined in accordance with Part A of this Schedule (with the relevant changes being made including, without limitation, (i) that all references to “CLG member” should be deemed to be changed to “Funder” for these purposes; and (ii) where a general election is taking place in advance of, but in respect of, any funding cycle (the “**Relevant Funding Cycle**”) in order that the B directors might be ready to hold office with effect from the commencement of the Relevant Funding Cycle, then references to “current funding cycle” shall be deemed to refer to the Relevant Funding Cycle and references to the “immediately preceding funding cycle” shall be deemed to refer to the then current funding cycle) save that the provisions of paragraph 3 of Part A of this Schedule shall not apply in determining the allocated proportion of votes for electing B directors only);
- multiplied by the number of then contested B director board seats (the “**Number of Seats**”); and
- multiplied by 100.

2.3 Before a general election, there will be a deadline notified by the board for any Funders to nominate candidates for B directorship (note that, for the avoidance of doubt, for so long as any A director is engaged to provide services to Omidyar Network, Omidyar Network shall not be entitled to nominate a candidate for B directorship). Nominees may be natural persons only.

2.4 The mechanism for the election of B directors will be an “instant runoff voting system” which will operate upon the following principles:

- a) the total number of votes that may be cast in any election will be divided by the number of B director seats that are then being contested in order to arrive at the target voting threshold (the **Voting Threshold**) to guarantee election of any B director (i.e. if there are a total of 100 votes available to be cast in an election and 4 seats being contested then a candidate must capture at least 25% of the total votes

in order to guarantee winning a seat – the target voting threshold in such example is therefore 25%);

- b) having been presented with a list of candidates in the ballot paper, each of the Funders will rank each of the candidates in order of preference (i.e. if there are 10 candidates then each Funder will rank each candidate from 1 to 10 with a ranking of 1 signifying the most favoured candidate and a ranking of 10 signifying the least favoured candidate). For the avoidance of doubt, in the event that any Funder does not, in its ballot paper, rank all of the candidates in order of preference (i.e. in the example given above, where a Funder does not rank all candidates from 1 to 10) then none of its votes will be allocated at any point in the election process to any candidate who has not been so ranked;
- c) each candidate who has been ranked 1 by a Funder will be awarded such total number of votes as is allocated to such Funder in the relevant election (i.e. at this point second, third and fourth etc preferences will not be considered);
- d) the total votes awarded to each candidate who has been ranked 1 by at least one Funder will then be aggregated (i.e. if a candidate is ranked 1 by more than one Funder then the total number of votes allocated to each such Funder will be awarded to the candidate) (the **Initial Aggregate**);
- e) in the event that any candidate's Initial Aggregate is equal to or exceeds the Voting Threshold then such candidate will be deemed to have won a B director board seat for the relevant funding cycle (a **B Seat Winner**);
- f) to the extent that any B Seat Winner's Initial Aggregate exceeds the Voting Threshold (the amount of such excess being the **Excess Votes**) then such Excess Votes shall be added to the Initial Aggregate of the candidate ranked 2 on the order of preference of the Funder to whom the Excess Votes are attributed (in the event that the Excess Votes are attributed to more than one Funder then the Excess Votes shall be pro-rated by reference to the Funders' respective awards to the initial B Seat Winner). To the extent that such award of votes to such candidate ranked 2 causes its own Initial Aggregate to exceed the Voting Threshold then such candidate will also be deemed to be a B Seat Winner and to the extent that such B Seat Winner's Initial Aggregate then exceeds the Voting Threshold then such Excess Votes shall be added to the Initial Aggregate of the candidate ranked 3 on the order of preference of the Funder to whom the Excess Votes are attributed and so on;
- g) in the event that no candidate's Initial Aggregate is equal to or exceeds the Voting Threshold or in the event that the number of seats then being contested exceeds the number of B Seat Winners then the candidate (the **Lowest Ranked Candidate**) with the lowest Initial Aggregate (such Funders who ranked the Lowest Ranked Candidate as 1 (if any) being the **Reallocation Funders**) shall be

deemed to be eliminated from the election and the total votes awarded to the Lowest Ranked Candidate shall be reallocated and re-awarded to such candidate whom the Reallocation Funder(s) ranked as 2 in their order of preference;

- h) in the event that more than one candidate has the lowest Initial Aggregate (i.e. in the event of a tie for last place) then the total number of votes that would be awarded to each such tied candidate as if votes were awarded only by reference to each ranking as 2 in each Funder's order of preference (i.e. ignoring the rankings as 1 and looking solely at the rankings as 2 to determine vote awards). The tied candidate with the lowest total number of votes as determined on such basis (or on the basis of rankings as 3 should rankings as 2 also produce a tie and so on) shall be deemed to be the Lowest Ranked Candidate;
- i) following the reallocation and re-award exercise referred to in paragraph 4.3(g) above, the total votes awarded to each candidate (other than the Lowest Ranked Candidate) in each case from the Funders who ranked such candidate as 1 and from such Reallocation Funders who ranked such candidate as 2 shall be aggregated again (the **Secondary Aggregate**);
- j) in the event that any candidate's Secondary Aggregate is equal to or exceeds the Voting Threshold then such candidate will be deemed to be a B Seat Winner (i.e. for so long as the number of B Seat Winners is then fewer than the number of B director seats contested);
- k) to the extent that any such B Seat Winner's Secondary Aggregate exceeds the Voting Threshold (the amount of such excess being the **Secondary Excess Votes**) then the Secondary Excess Votes shall be added to the Secondary Aggregate of the next ranked candidate on the order of preference of the Funder to whom the Secondary Excess Votes are attributed (in the event that the Secondary Excess Votes are attributed to more than one Funder then the Secondary Excess Votes shall be pro-rated by reference to the Funders' respective aggregate awards to the relevant B Seat Winner). To the extent that such award of votes to the relevant next ranked candidate(s) causes the Secondary Aggregate of such person(s) to exceed the Voting Threshold then such candidate(s) will also be deemed to be a B Seat Winner(s) and to the extent that any such B Seat Winner's Secondary Aggregate then exceeds the Voting Threshold then the relevant excess votes shall be added to the Secondary Aggregate of the next ranked candidate on the order of preference of the Funder(s) to whom such excess votes are attributed as set out (in this paragraph (k) above) and so on;
- l) in the event that no candidate's Secondary Aggregate is equal to or exceeds the Voting Threshold or in the event that following such second round the number of seats then being contested still exceeds the aggregate number of B Seat Winners arising from all previous rounds then the candidate (the **Next Lowest Ranked Candidate**) with the lowest Secondary Aggregate (such Funders who ranked the

Next Lowest Ranked Candidate as 1 (if any) and such Funders (if any) whose votes were re-awarded to the Next Lowest Ranked Candidate as their second ranked candidate under paragraph 3.3 (g) above being the **Second Reallocation Funders**) shall be deemed to be eliminated from the election and the total votes awarded to the Next Lowest Ranked Candidate shall be reallocated and re-awarded to such candidate who the Second Reallocation Funder(s) ranked as 2 or as 3 (as applicable) in their order of preference (i.e. this is the first point in the process at which third preferences could come into play – but only if, and to the extent that, the votes of any Second Reallocation Funders were awarded first to the Lowest Ranked Candidate and secondly to the Next Lowest Ranked Candidate);

- m) in the event that more than one candidate has the lowest Second Aggregate then the exercise set out in paragraph 3.3 (h) above shall be repeated (with the relevant changes being made) to determine the Next Lowest Ranked Candidate;
- n) unless and until the number of B Seat Winners equals the number of contested B director seats then the process outlined in paragraphs 2.4(g) to (j) above shall be deemed to be repeated (with the relevant changes being made).

In respect of each B Seat Winner the Funders who awarded all, or any part of their votes to such candidate in accordance with the process outlined above shall, for the purposes of these articles be such B director's **Appointing Funders** and the proportions of the total votes allocated to such B director as between the Appointing Funders shall be the **Appointing Proportions**.

For information purposes only, an illustrative example of the “instant runoff voting procedure” described in this paragraph 3 above is set out in Part C of this Schedule.

3. **Procedure for elections of B directors**

The precise procedures for elections of B directors shall be determined by the board but the following key principles shall be applied in all circumstances in respect of all elections of B directors:

- written notice of the date, time and location of the election shall be sent by GIF to all Funders not less than 60 clear days prior to the date of election (the **Election Notice**);
- a general election of all B directors to hold office during the course of any funding cycle shall be held not less than 15 clear days prior to the commencement of any funding cycle;

- special elections of any additional B directors to be appointed during the course of any funding cycle shall be held on or around the Annual General Meeting of GIF or on such other date as the board shall resolve by supermajority vote;
- the Election Notice shall request that the Funders nominate (if they so wish) by notice in writing to the board candidates for such elections (provided that no Funder may nominate more than one candidate);
- written nominations must be received by GIF board by not later than 30 clear days prior to the date of the election;
- ballot papers setting out the names of all nominated candidates shall be sent to each Funder no later than 20 clear days prior to the date of the election together with the number of votes allocated to such Funder in the relevant election and the mechanism by which the Funders may vote in accordance with the applicable provisions of these articles;
- Funders shall cast their votes either in person at the election or remotely by service of a duly completed ballot paper in writing or in electronic form on GIF in accordance with the provisions of these articles (provided that in the case of a remote election the duly completed paper must be received by GIF by no later than 24 hours before the appointed time for the start of the election);
- the election shall be overseen and votes counted by (or under the supervision of) the chair;
- written notice of the results of the election (a **Results Notice**) shall be sent by the chair to each of the Funders and the board as soon as practicable (and no later than 5 clear days) following the election;
- the appointments of the successful candidates shall take effect from the beginning of the relevant funding cycle (in respect of a general election for B directors) and with effect from the date of issuance of the Results Notice in respect of a special election); and
- in the absence of fraud or manifest error, a Results Notice shall be binding on all Funders.

4. **By-elections**

- 4.1 A by-election will be required in circumstances where a B director resigns from, or is otherwise removed from office, during the course of any funding cycle in each case in accordance with the provisions of these articles. In this case the relevant Appointing

Funders shall be entitled to hold a by-election as soon as practicable thereafter to elect between themselves such replacement B director to hold office until the end of the then current funding cycle. For the purposes of such by-election each such Appointing Funder shall be entitled to nominate a candidate and in voting to appoint one such candidate shall be allocated such number of votes as is equal to the Appointing Proportions and the by-election shall otherwise be carried out following the principles and procedures set out in paragraph 4 (the relevant changes being made)

- 4.2 A by-election shall follow the principle of proportionality but the only board seat(s) that shall be subject to the by-election shall be that (those) of the outgoing B director(s) (and, for the avoidance of doubt, no other board seats shall be the subject of the by-election).

5. **Special elections**

- 5.1 A special election will be required where an Application Originator or its Nominee is approved as a new CLG member of the Company in accordance with article 11.6 and/or where a Non-Member Funder is approved as a funder of GIF in accordance with article 12 during the course of any funding cycle and where the board resolves by simple majority that as a consequence of such approval(s) it is appropriate and desirable for an additional B director to be appointed to the board. A special election to appoint an additional B director shall be held in accordance with the procedural principles set out in paragraph 4 above and the following provisions of this paragraph 6.

- 5.2 Special elections shall follow the principle of proportionality but the only board seats that shall be subject to election shall be such additional board seats as the board shall consider appropriate in accordance with paragraph 6.1 (and for the avoidance of doubt no existing and allocated board seats shall be the subject of a special election).

- 5.3 In order to seek to avoid double counting contributions and to maintain the proportionality of votes to financial contributions, in special elections where new B director seats are added, Funders who have voted in the previous election at which B directors were first elected for the purposes of the relevant funding cycle and/or at any previous special election for a B director during the relevant funding cycle will have their total prior votes allocated and exercisable at such previous elections subtracted from their allocation of votes for the purposes of the special election vote. The total number of votes that may actually be exercised by each Funder in respect of a special election will therefore be determined by reference to the following calculation:

- **Number of contested B director seats in the prior general election at the outset of the relevant funding cycle** = \underline{S}_{FP}
- **Number of contested B director seats in special election** (i.e. for the purposes of the calculation only this does include the existing and allocated board seats and the new additional board seat – if at the general election at the outset of the funding

cycle 3 seats were contested and 1 additional seat is now to be contested in a special election then this number will be 4) = S_{FP}^*

- **Funder A's total number of allocated votes as at in the immediately preceding general election** (as determined in accordance with paragraph 4.1 above in respect of the prior general election at the outset of the relevant funding cycle based on the number of contested seats $S_{FP} = N_A$)
- **Funder A's total nominal number of allocated votes as at the current special election** (as determined in accordance with paragraph 4.1 above in respect of the special election (i.e. therefore including the funding committed by the New Funders in the total contribution pool for the current funding cycle) based on the total number of B director seats (including the additional B director seat) $S_{FP}^* = N_A^*$)

Therefore the total number of votes actually exercisable by Funder A in voting for the additional B director in the special election = $N_A^* - N_A$ ⁴

⁴ If the formula yields a negative number, then Funder A will be able to exercise zero votes in the special election for the additional B director.

Part C

For information purposes only – Illustrative example of the “instant runoff voting procedure”

This example illustrates the procedure for a general election. For a by-election, the procedure would be identical but in relation only to the votes of the Appointing Funders in the Appointing Proportions to the relevant B director seat. For a special election, the calculation of the votes would be modified to incorporate the votes that “have already been used” to elect candidates in any prior elections in the same funding cycle, but the procedure would otherwise be identical.

In this case, it is assumed that there are 4 Funders:

- Funder A – commits US\$40million to GIF in the relevant current funding cycle;
- Funder B – commits US\$30 million to GIF in the relevant current funding cycle;
- Funder C – commits US\$20 million to GIF in the relevant current funding cycle; and
- Funder D – commits US\$10 million to GIF in the relevant current funding cycle.

In this case, the total value of contributions is US\$100 million.

In this case, it is assumed there are no “lookbacks” to the immediately preceding funding cycle (in accordance with the provisions of paragraph 2 of Part A of this Schedule) and so the votes allocated are as followed:

- Funder A: \$40m / \$100m total = 40 votes
- Funder B: \$30m / \$100m total = 30 votes
- Funder C: \$20m / \$100m total = 20 votes
- Funder D: \$10m / \$100m total = 10 votes

In this case, it is assumed that there are three seats for the Funders.

In this case, it is assumed that each Funder proposes a candidate to be a B director and so there are four candidates for the three positions.

Thus the threshold for getting elected = \$100m divided by the number of seats available (i.e. 3) = 33 1/3 votes.

In an instant runoff election all Funders put in rank order their preferred candidates. All Funders list their preferences for **all** the candidates in rank order. In this case that means that every Funder needs to submit a ballot with choices ranked 1, 2, 3, and 4.

In this case, it is assumed that each of the Funders cast their ballots as follows (CAPITALS = FUNDERS; lowercase = candidates):

Funder A: 1= a, 2= c, 3= b, 4= d

Funder B: 1= b, 2= a, 3= c, 4= d

Funder C: 1= c, 2= d, 3= a, 4= b

Funder D: 1= d, 2= b, 3= a, 4= c

In the first round of the instant runoff, as a consequence of their respective “first places”, the Funder A candidate gets 40 votes, the Funder B candidate gets 30 votes, the Funder C candidate gets 20 votes and the Funder D candidate gets 10 votes.

Remember, throughout this process, that 33 1/3 votes are required to get any Funder’s candidate elected.

In the first round of the instant runoff, the Funder A candidate is elected. They have six and 2/3 votes left over (i.e. Funder A’s 40 votes less 33 1/3 votes required to elect the Funder A candidate).

Given that Funder A has listed the Funder C candidate as their second choice, in the second round of the instant runoff the Funder B candidate has 30 votes and the Funder C candidate has 26 2/3 votes (Funder A’s 20 votes plus 6 2/3 votes).

Thus there is no clear additional winner who passes the threshold and the next step is to eliminate the lowest ranking candidate which is the Funder D candidate⁵.

The Funder D’s votes are now transferred to its second choice – the Funder B candidate – which takes the Funder B candidate’s votes to 30 + 10 = 40 in the third round of the instant runoff.

Because the Funder B candidate now has more than 33 1/3 votes it is now elected with six and 2/3 votes left over.

⁵ It should be noted that, given that one candidate of four has been eliminated at this point and there are only three seats remaining, it is clear that whatever the remaining rank orders, the Funder A, Funder B, and Funder C candidates are all going to be elected.

These excess $6 \frac{2}{3}$ votes, which “belong” to Funder B and Funder D *pro rata* to their respective awards of votes to the Funder B candidate (i.e. in the ratio 30:10), are now transferred, in the fourth round, *pro rata* to Funder B’s second choice (5 votes) and Funder D’s third choice ($1 \frac{2}{3}$ votes) – in both cases this is the Funder A candidate. However Funder A’s candidate has already been elected, so instead these excess votes are transferred *pro rata* to Funder B’s third choice (Funder C’s candidate – 5 votes) and Funder D’s fourth choice (also Funder C’s candidate – $1 \frac{2}{3}$ votes). Funder C’s candidate now has $33 \frac{1}{3}$ votes (20 in round one, $6 \frac{2}{3}$ in round two and a total of $6 \frac{2}{3}$ in round 4) and is elected.

All three seats are now filled.