



**SHELTER AFRIQUE**

Financing Affordable Housing for Africa

# Statutes of the Company for Habitat and Housing in Africa (Shelter-Afrique)

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Amended by the 40<sup>th</sup> Annual General Meeting  
(Yaoundé, Cameroon, 24<sup>th</sup> June 2021)





**STATUTES OF  
THE COMPANY FOR HABITAT  
AND HOUSING IN AFRICA  
(SHELTER-AFRIQUE)**

Amended by the 40<sup>th</sup> Annual General Meeting  
(Yaoundé, Cameroon, 24<sup>th</sup> June 2021)

## TABLE OF CONTENTS

ARTICLE 1: <b>Name of the Company</b>	1
ARTICLE 2: <b>Definitions</b>	1
ARTICLE 3: <b>The Principal Office</b>	3
ARTICLE 4: <b>Purpose and Functions</b>	3
ARTICLE 5: <b>Share Capital</b>	4
ARTICLE 6: <b>Membership and Share Subscription</b>	5
ARTICLE 7: <b>Payment of Subscriptions</b>	6
ARTICLE 8: <b>Unsubscribed Shares and Maximum Shareholding</b>	6
ARTICLE 9: <b>Lien</b>	7
ARTICLE 10: <b>Forfeiture of Shares</b>	7
ARTICLE 11: <b>Alteration of Capital</b>	9
ARTICLE 12: <b>Calls on Shares</b>	10
ARTICLE 13: <b>Withdrawal of Members</b>	10
ARTICLE 14: <b>Suspension of Membership and Suspension of Funding</b>	12
ARTICLE 15: <b>General Meetings</b>	13
ARTICLE 16: <b>General Meetings Powers</b>	14
ARTICLE 17: <b>Proceedings at General Meetings</b>	15
ARTICLE 18: <b>Votes of Members and Proxies</b>	16
ARTICLE 19: <b>Corporations acting by Representatives at Meetings</b>	17
ARTICLE 20: <b>Board of Directors-Composition</b>	18
ARTICLE 21: <b>Alternate Directors</b>	19
ARTICLE 22: <b>Board of Directors Functions</b>	19
ARTICLE 23: <b>Disqualification of Directors</b>	20
ARTICLE 24: <b>Board of Directors Procedure</b>	21
ARTICLE 25: <b>Managing Director</b>	23
ARTICLE 26: <b>Company Secretary</b>	23
ARTICLE 27: <b>Senior Officers of the Company</b>	24
ARTICLE 28: <b>Common Seal and its Use</b>	24
ARTICLE 29: <b>Dividends and Reserve Fund</b>	25
ARTICLE 30: <b>Accounts</b>	25
ARTICLE 31: <b>Capitalization of Profits</b>	26
ARTICLE 32: <b>Audit</b>	26
ARTICLE 33: <b>General Provisions</b>	27

ANNEXURE

PART I: Election of Class "A" Directors and Alternate Directors_____	29
Country Groupings_____	29
PART II: Appointment of Class "B" Directors and Alternate Directors_____	31
PART III: Appointment of Class "C" Directors and Alternate Directors____	31
PART IV: Election of independent Directors_____	32

## ARTICLE 1

### Name of the Company

The Name of the Company is The Company for Habitat and Housing in Africa, "SHELTER-AFRIQUE" (Hereinafter called "the Company").

## ARTICLE 2

### Definitions

In these Statutes, unless the context shall otherwise specify or require, the following terms shall have the meanings hereby assigned to them:

**"Board"** means the Board of Directors of the Company.

**"Board Charter"** means the rules and regulations passed from time to time by the Board and approved by the General Meeting (as hereinafter defined) to regulate the conduct of the Board.

**"Director"** Includes any person occupying the position of director by whatever name called.

**"Financial Year"** means the period in respect of which any profit and loss account of the Company laid before it in General Meeting is made up, whether at period is a year or not.

**"General By-Laws"** means the General By-Laws of SHELTER- AFRIQUE comprising of The General Regulations of SHELTER- AFRIQUE, The Rules of Procedure of the General Meeting of SHELTER-AFRIQUE, and the Rules and Procedure of the Board of Directors of SHELTER-AFRIQUE.

**"General Meeting"** means the Annual General Meeting (as described in Article 15(a) of these Statutes) or the Extraordinary General Meeting (as described in Article 15(d) of these Statutes) of Members.

**"Member"** means respectively a shareholder of the Company.

**"Ordinary Resolution"** means a resolution passed at a General Meeting by a simple majority of those present in person or by proxy and voting upon the resolution.

**"Organization of Institution"** means any corporation, organization or institution having juridical personality.

**"Person"** includes a government, corporation and any organization or institution having juridical personality.

**"Share"** means the share in the share capital of the Company.

**"Special Resolution"** means a resolution passed by a majority of not less than three fourths of those present in person or by proxy at a General Meeting of which sixty (60) days' notice specifying the intention to propose the resolution as a Special Resolution has been duly given.

**"The Seal"** means the common seal of the Company.

Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include bodies corporate.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

## ARTICLE 3

### **The Principal Office**

The principal office of the Company shall be situated in Nairobi, Kenya.

## ARTICLE 4

### **Purpose and Functions**

#### (a). PURPOSE

The purpose of the Company shall be to promote financing in housing and urban development in African countries.

#### (b). FUNCTIONS

The functions for which the Company is established are:

- (i) To mobilize capital from which loan and equity resources shall, based upon policies and procedures approved by the Board from time to time, be made available for approved housing and related schemes in African countries and to national housing development institutions in African countries.
- (ii) To promote, encourage and contribute directly through equity participation, and indirectly through financing and technical assistance through a special fund or otherwise, in the investment of public and private capital for housing and related schemes and in the establishment and development of viable housing institutions in African countries.
- (iii) To develop or acquire directly or by way of joint venture housing and related schemes in African countries and to sell or deal therein in any manner deemed profitable to the Company.
- (iv) To borrow or receive money by the issue of shares, stock, debentures, debenture stock, bonds, obligations, income or deposit notes, or securities (and otherwise to underwrite any issue) and for any such purpose to grant mortgages as well as fixed or floating charges over the undertaking or all or any of its assets, both present and future, including its uncalled capital, upon such terms as it shall think fit, and to purchase, redeem or pay off any such securities.



- (v) To buy, underwrite, invest in, subscribe for, acquire and hold share stock, bonds, obligations and securities issued or guaranteed by any company or body corporate or unincorporate, or by any person, co-operative society or association, or by any government, state, public body or authority, federal, regional, local, municipal or district and to sell, deal in or turn to account the same and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
- (vi) To engage in or finance the research of any aspect of housing and of construction and building industries in African countries and finance in whole or in part any housing project developed from such research.
- (vii) To apply for, acquire and hold any privileges, exemptions, immunities, licensees, concessions or other rights or powers from the government of any country in which it may operate.
- (viii) To carry on any other business which may profitably or usefully be combined with any of the said businesses which may seem to the Company, capable of being carried out in connection with or in combination with any of the aforementioned objects, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights and to do all such other things as are incidental or conducive to the attainment of the above objectives or any of them.

In carrying out its functions, the Company shall seek to cooperate with national, regional and sub-regional development institutions in Africa. To the same end, it shall cooperate with international organizations pursuing a similar purpose and with other institutions concerned with the development of Africa.

## ARTICLE 5

### Share Capital

- (a) Liability on shares shall be limited to the unpaid portion of their issue price.
- (b) The authorized share capital of the Company shall be United States Dollars one billion (US\$ 1,000,000,000). The authorized share capital of the Company shall be divided into one million (1,000,000) ordinary nominal shares of par value of United States Dollars one thousand (US\$1,000).
- (c) The terms and conditions of subscription to the authorized capital shall be determined by way of an Ordinary Resolution.

- (d) Shares shall be divided into three (3) classes which shall be issued for subscription as herein below stated:
- (e) Class "A" shares which shall constitute forty percent (40%) of the authorized share capital of the Company and which shall be issued for subscription by African countries (preferably through their respective Central Banks, Sovereign Wealth Funds, State Pension Funds or similar institutions).
  - (i) Class "B" shares which shall constitute thirty percent (30%) of the authorized share capital of the Company and which shall be issued for subscription by African regional or continental organizations and institutions.
  - (ii) Class "C" shares which shall constitute thirty percent (30%) of the authorized share capital of the Company and which shall be issued for subscription by countries and legal personalities not falling into Class "A" or Class "B" above.
- (f) Class "A" shares, Class "B" shares and Class "C" shares shall rank "pari passu" in all respects.
- (g) Each Member shall, within three (3) calendar months of payment for Shares allotted to such Member or lodgement of transfer (or within such other period as the conditions of issue shall provide), be issued with one certificate for all its paid up shares specifying the number of shares issued to it, category of shares held by it and the amount paid up thereon. Every certificate shall be issued under the seal of the Company.
- (h) If a share certificate shall be defaced, lost or destroyed, it may be renewed on payment of a fee to be determined from time to time by the Board and on terms, if any, as to evidence and indemnity and the payment of out of pocket expenses of the Company for investigating such evidence as the Board may deem fit.
- (i) Subject to the provisions hereof in that behalf, if any, and without prejudice to any special rights previously conferred on the holders of existing shares in the Company, any share in the Company may be issued with such preferred, deferred, or other special rights, or such restrictions whether with regard to dividend, voting, return of share capital, or otherwise as the Company may from time to time by Special Resolution determine.

## ARTICLE 6

### **Membership and Share Subscription**

- (a) Membership of the Company shall be deemed to commence from the date of signature of the Instruments of Adherence, and payment of the minimum amount of the called capital, being

at least fifty percent (50%) of the called up capital in respect of the relevant Member. PROVIDED that the countries which signed the Convention on the Constituent Charter at the meeting in Lusaka, Republic of Zambia, on May 11, 1982 shall be deemed to be founder Members. Existing Members at the time of entering into force of these Statutes, who will not have paid the minimum amount of called capital pursuant to this Article shall not lose their membership by virtue of this provision.

- (b) The initial number of shares to be subscribed by each new Member shall be approved by the General Meeting.
- (c) Allotment of shares shall be effected on execution of a pledge of subscription and payment for the shares pledged and subscribed for, by that Member.

## ARTICLE 7

### **Payment of Subscriptions**

- (a) Payment of the called capital shall be made in United States dollars at a place and time to be determined by the Board.
- (b) Payment on account of the called capital by Members which would not have been paid by the date appointed for this purpose may be made on such a date and upon such other terms and conditions as the Board shall determine.
- (c) The modalities, terms and dates of payment of subscriptions relating to new issues of shares, unsubscribed shares and forfeited shares shall be determined by the Board in respect of each such shares.

## ARTICLE 8

### **Unsubscribed Shares and Maximum Shareholding**

- (a) The Board may re-allocate, subject to paragraph (b) hereof, all the unsubscribed shares of the Company to Members wishing to subscribe to such shares.
- (b) In acting under the provisions of the paragraph immediately preceding, the Board shall proceed as follows:
  - (i) In the first instance, try to allocate the unsubscribed shares to Members wishing to subscribe such unsubscribed shares in proportion to the amount of shares initially allocated to them.

- (ii) Repeat the procedure using the cumulative subscriptions at each stage until all the unsubscribed capital is fully allocated.

## ARTICLE 9

### **Lien**

- (a) The Company shall have a first and paramount lien on every share, not being a fully paid share, for all moneys, whether presently payable or not, called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares, other than fully paid shares, standing registered in the name of any person for all moneys presently payable by him to the Company but the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
- (b) The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, and until the expiration of thirty days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto.
- (c) To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- (d) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

## ARTICLE 10

### **Forfeiture of Shares**

- (a) If a Member fails to pay any pledged subscription on the day appointed for payment thereof, the Board may, at any time

thereafter during such time as any part of the pledged subscription remains unpaid, serve a notice on him requiring payment of so much of the pledged subscription as is unpaid.

- (b) The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the pledged shares will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- (d) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit, and at any time before a sale or disposition the forfeiture may be canceled on such terms as the Board thinks fit.
- (e) A person whose shares have been forfeited and does not hold any other shares in the Company shall cease to be a Member in the Company, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company.
- (f) A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- (g) The provisions of these Statutes as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

## ARTICLE 11

### Alteration of Capital

- (a) The General Meeting may, with the sanction of a Special Resolution of the company, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
- (b) The General Meeting may by Special Resolution:
  - (i) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (ii) Subdivide its existing shares, or any of them into shares of smaller amount than is fixed in these Statutes; PROVIDED, however, that in the subdivision the proportion between the amount paid and the amount unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (iii) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
  - (iv) Reduce the shares of the Company including issued but unpaid shares to such extent and in such manner as the Members think fit and further cancel shares of the Company including issued but unpaid shares.
- (c) Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares, shall before issue be offered to the Members. The offer shall be made by notice specifying the details of the shares which the company desires to issue and the proposed terms of issue thereof and shall invite each Member to apply in writing within such period as shall be specified being a date expiring not less than ninety (90) days from the date of the offer for such a number of shares he wishes to take.
- (d) At the expiration of the said period, the shares so offered or so many of them as the Members applied for shall be allotted to or amongst the Members who have applied for them, and if more than one Member has so applied, the shares shall be divided between them pro rata, so far as possible, according to the number of shares in respect of which they are registered or entitled to be registered.
- (e) The Board may dispose of any share not applied for by Members in such manner as it may think most beneficial to the company.

- (f) For the purposes of this article where any person is unconditionally entitled to be registered as a holder of shares, he and not the registered holder of such shares, shall be deemed to be a Member of the Company in respect of that share.
- (g) If new shares are issued solely for the purpose of providing for the initial subscription of new Members, normal preemptive rights of existing Members shall not apply.

## ARTICLE 12

### **Calls on Shares**

- (a) Payment of amounts subscribed to the callable capital of the Company shall be subject to call only as and when required by the Company to meet its obligations incurred on borrowing of funds for inclusion in its capital resources.
- (b) In the event of such calls, payment may be made at the option of the Member concerned in United States Dollars or in the currency required to discharge the obligation of the Company for the purpose for which the call is made.
- (c) Calls on unpaid subscriptions shall be uniform in percentage on all callable shares.
- (d) No Member(s) shall be entitled to receive any dividend or exercise any right or privilege as a Member for as long as a Member fails to pay any pledged subscription.
- (e) The Company shall have the right to set-off any payments due in respect of a pledged subscription, against any dividend(s) payable to such Member.

## ARTICLE 13

### **Withdrawal of Members**

- (a) A Member may withdraw, or transfer all or any of its shares in the Company under the following conditions:
  - (i) A Member wishing to withdraw or transfer any or all of its shares in the Company shall deliver a notice in writing to the Company at its head office stating its intention to withdraw from it or transfer its shares within one hundred and eighty (180) days;

- (ii) In that event the Company shall appoint an Independent evaluator, preferably a reputable firm of accountants, to value the shares in question which the Member shall be entitled to dispose of by sale or transfer to other existing Shareholder(s) or any third party interested in becoming a Member of the Company irrespective of the class of shares held or to be held by the transferee.
- (b) The Instrument of transfer or sale of any share shall be signed by or on behalf of the transferor and transferee and lodged with the Company and the transferor shall cease to be liable for any obligations to the Company or its creditors at the date of such signature.
- (c) The Company may arrange for the repurchase of shares from a Member holding Class "B" shares in accordance with paragraphs (a) and (e) of this Article. For this purpose, the repurchase price of the shares shall be the amount certified by an evaluator in accordance with paragraph (a) (ii) above.
- (d) The payment for shares repurchased by the Company under this Article shall be governed by the following conditions:
  - (i) Any amount due to the Member concerned for its shares shall be withheld so long as that Member remains liable immediately, in the future or contingently as a borrower or guarantor, to the Company and such amount may, at the option of the Company, be applied on any such liability as it matures. No amount shall be withheld on account of the contingent liability of the Member for future calls on its subscription for shares in accordance with the provisions of Article 12 of these Statutes. In any event no amount due to a Member for its shares shall be paid until twelve (12) months after the expiry of the notice under paragraph (a) (i) above.
  - (ii) Payments for shares may be made from time to time, upon their surrender by the Member concerned, to the extent by which the amount due as the repurchase price in accordance with paragraph (c) of this Article exceeds the aggregate amount due immediately, in the future or contingently from such Member as a borrower from or a guarantor to the Company as referred to in subparagraph (i) of this paragraph, until the former Member has received the full repurchase price.
  - (iii) Payments shall be made in such available currencies as the Company shall determine, taking into account its financial position.
  - (iv) If losses are sustained by the Company on any guarantees or loans, which were outstanding on the date when a Member ceased to be a Member of the Company and the amount of such losses exceeds the amount of any reserve specially provided against such losses on that date, the Member concerned shall repay, upon demand,



the amount by which the repurchase price of its shares would have been reduced if the losses had been taken into account when the repurchase price was determined. In addition, the former Member shall remain liable on any call for unpaid subscriptions in accordance with the provisions of Article 12 of these Statutes, to the same extent that it would have been required to respond if the impairment at capital had occurred and the call had been made at the time the repurchase price of its shares was determined.

- (e) No share transfer shall be made to any third party if the majority of the Members shall object to such a third party being a Member in the Company.

## ARTICLE 14

### **Suspension of Membership and Suspension of Funding**

- (a) If a Member of the Company fails to fulfill its obligations to the Company, including failure by such a Member to honour calls to pay any pledged subscription, the General Meeting may suspend such Member by way of Special Resolution.
- (b) The Member so suspended shall automatically cease to be a Member of the Company one year from the date of its suspension unless the General Meeting decides, within that period and by the same resolution necessary for suspension, to restore the Member to good standing.
- (c) While under suspension, a Member shall not be entitled to exercise any right under these Statutes but shall remain subject to all its obligations.
- (d) After the date on which a Member ceases to be a Member, a Member of the Company shall remain liable for any balance required by the Company to be paid by the Member on account of the amount originally subscribed for its shares and for any calls made by the Company pursuant to the provisions of Article 12 in respect of the contingent liability of that Member for any calls made by the Company in respect of that Member's shares after a Member ceases to be a Member to meet obligations of the Company resulting from any loans, guarantees or obligations contracted by the Company before a Member ceased to be a Member, but such Member shall not incur liability with respect to loans, guarantees or obligations entered into by the Company after a Member ceases to be a Member nor shall share either in the income or the expense of the Company after a Member ceases to be a Member.

- (e) At the time a Member ceases to be a Member of the Company, a Member shall transfer all of its shares in the Company in accordance with the procedure specified in Article 13 hereof.
- (f) Notwithstanding the foregoing, the General Meeting may suspend future funding to Member states and/or institutions and organizations from Member states in respect of Members in suspension and in respect of Members who do not honor calls on any pledged subscriptions by such Members.

## ARTICLE 15

### General Meetings

- (a) The Company shall, in each year, hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next.

The General Meetings of the Company may be held either physically or virtually as the Board of Directors may determine from time to time. The Board of Directors may develop administrative guidelines for the efficiency and effectiveness of virtual meetings provided always that such guidelines shall not violate, contradict or amend any provisions of these Statutes or General By-laws related to General Meetings and statutory procedures thereof.

- (b) Each Member shall be represented on the General Meeting and shall have one representative.
- (c) Any Member may be represented by another provided that the latter is duly delegated to do so. The representatives shall serve as such without payment of remuneration or expenses by the Company.
- (d) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- (e) The Board may, whenever it thinks fit, convene an Extraordinary General Meeting. If at any time there are not sufficient Directors capable of acting to form a quorum, any Director or any two or more Members holding twenty-five per cent (25%) of the shares of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors provided always that sixty per cent (60%) of such shares are held by class "A" Members.

- (f)
  - (i) The General Meeting may, by way of the General By-Laws as amended from time to time, provide for specific procedures for the operationalization of any provisions of the Statutes.
  - (ii) The General Meeting may, by way of the special procedure set out in Regulation 4 of the General By-Laws, vote on a specific question without calling a General Meeting.

## ARTICLE 16

### **General Meetings Powers**

- (a) All the powers of the Company shall be vested in the General Meeting.
- (b) The General Meeting may delegate to the Board authority to exercise any of its powers, except the power to:
  - (i) Increase or decrease the authorized capital of the Company;
  - (ii) Elect and remove Directors and determine their allowances as well as that of their Alternates, provided that the Board shall be entitled, in its absolute discretion and without the sanction of a General Meeting, to repay any Director, any travel and hotel expenses and other expenses reasonably incurred by him in the performance of his duties as director, including any such expenses incurred in connection with his attendance at Board Meetings;
  - (iii) Approve the appointment and remuneration of external auditors to audit the accounts of the Company, and to certify the balance sheet and the statement of profit and loss of the Company;
  - (iv) Approve, after reviewing the report of the auditors, the balance sheet and the statement of profit and loss of the Company;
  - (v) Approve any distribution or other allocation of net income by the Board;
  - (vi) Amend these Statutes;and
- (c) The General Meeting shall retain full powers to exercise authority over any matter delegated to the Board pursuant to paragraph (b) of this Article.

## ARTICLE 17

### **Proceedings at General Meetings**

- (a) All business shall unless otherwise provided be deemed special that is transacted at an Extraordinary General Meeting and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of the Auditors.
- (b) No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business; save as herein otherwise provided, a majority of the Members present in person or by proxy and holding sixty (60) per cent of the shares of the Company shall be a quorum.
- (c) If within three hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members shall be dissolved; in any other case it shall stand adjourned to a date not later than seven (7) days from the original date and at such time and place as the Board may determine and if at the adjourned meeting a quorum is not present within two (2) hours from the time appointed for the meeting, the Members present shall be a quorum.
- (d) At each Annual General Meeting, the meeting shall elect a Chairman and two Vice-Chairmen from among the class "A" Members;
- (e) The Chairman shall preside at every General Meeting of the Company. If the Chairman is absent or is unable or unwilling to act, a Vice-Chairman shall act as Chairman of the meeting;
- (f) The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (g) At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is before or on the declaration of the result of the show of hands demanded:

- (i) By the Chairman; or
- (ii) By at least three Members present in person or by proxy; or
- (iii) By any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
- (iv) By a Member or Members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry made to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

- (h) Except as provided in paragraph (i) hereof, if a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (i) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
- (j) A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

## ARTICLE 18

### **Votes of Members and Proxies**

- (a) On a show of hands, every Member present in person or by proxy shall have one vote.

- (b) On a poll, every Member shall have one vote for any one share on which the calls have been fully paid up.
- (c) The instrument appointing a proxy shall be in writing under the hand of the appoint or of his attorney duly authorized in writing or, if the appoint or is a corporation, either under seal or under the hand of an officer or attorney duly authorized. A proxy need not be a Member of the Company.
- (d) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
- (e) Except otherwise provided in these Statutes, all matters before the General Meeting shall be decided by a majority of Members present in person or by proxy.
- (f) The instrument appointing a proxy and the power of Attorney or other authority, if any, under which it is signed or a notarially Certified copy of that power or authority shall be deposited at the office of the Company or at such other places as is specified for that purpose in the notice convening the meeting not less than four hours before the time for holding the meeting or in the case of a poll, not less than two hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

## ARTICLE 19

### **Corporations acting by Representatives at Meetings**

Any corporation which is a Member of the Company by resolution of its Directors or other governing body may authorize such person as it thinks fit to act as its representative at any meeting of the Company, or of any class of Members of the Company, and the person so authorized shall be entitled to exercise all the powers on behalf of the corporation which he represents as a Member of the Company.

## ARTICLE 20

### **Board of Directors-Composition**

- (a) The Board shall be elected by Members in the General Meeting in accordance with (c) below and shall consist of not more than twelve (12) Directors.
- (b) 10% (ten percent) or more shareholding on called and paid up capital shall entitle a Member to nominate a Director on the Board.
- (c) The Board shall consist of:
  - (i) Four (4) Directors and Four (4) Alternate Directors elected by Members holding Class "A" Shares in accordance with the procedures set forth in the Annexure to these Statutes which shall form an integral part hereof.
  - (ii) Three (3) Directors and three (3) Alternate Directors appointed by Members holding Class "B" Shares in accordance with the procedure set forth in the Annexure to these Statutes which shall form an integral part thereof.
  - (iii) Three (3) Directors and three (3) Alternate Directors appointed by Members holding Class "C" Shares in accordance with the procedure set forth in the Annexure to these Statutes which shall form an integral part thereof.
  - (iv) Two (2) Independent Directors elected by the General meeting on the recommendation of the Board.
- (d) The term of office of Directors and Alternate Directors shall be three years. They may be re-elected once. PROVIDED that a Director shall remain in office until his successor has been appointed.
- (e) Directors shall be persons of recognized competence and experience in the areas of management, housing development or finance.
- (f) Notwithstanding the provisions of Article 20 (c) hereof, the General Meeting may, from time to time, by Special Resolution, increase or reduce the number of Directors.
- (g) The General Meeting may, by Ordinary Resolution, remove any Director before the expiration of his period of office notwithstanding anything in these Statutes or in any agreement between the Company and such Director.

- (h) The General Meeting may, by Ordinary Resolution, appoint another person in place of a Director removed from office under Article 20 (g). In the case of a vacancy created under Article 23(a)(x) hereof, the Member state shall nominate another Director to fill the casual vacancy following the Board's recommendation. Prior to the General Meeting approving the nomination, the Alternate Director shall represent the Country Group on the Board of Directors. The person appointed to fill a vacancy created under Article 20 (g) and Article 23 (a) (x) shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.
- (i) A Director shall not be required to hold a share qualification, but shall nevertheless be entitled to receive notice of and attend and speak at any General Meeting or at any separate meeting of the holders of any class of shares in the Company.

## ARTICLE 21

### **Alternate Directors**

Each Alternate Director shall be subject in all respects to the terms and conditions affecting the other Directors. An Alternate Director shall only be entitled to attend and vote as a Director at any meetings of the Board at which his principal is not present and generally to exercise all the powers, rights, duties and authorities of the Director.

## ARTICLE 22

### **Board of Directors Functions**

- (a) Without prejudice to the powers of the General Meeting as provided in Article 15 of these Statutes, the Board shall be responsible for the conduct of the general operations of the Company and for this purpose, shall in addition to the powers provided for it expressly in these Statutes, exercise all the powers delegated to it by the General Meeting and in particular:
  - (i) Appoint, suspend or remove the Managing Director of the Company and determine the terms and conditions of his service.
  - (ii) Determine the general structure of the services of the Company.



- (iii) Prepare the work of the General Meeting.
- (iv) Approve the budget of the Company.
- (v) In conformity with the general directives of the General Meeting, take decisions concerning particular loans, guarantees, borrowing of funds by the Company and draw up schedules for investment of funds of the Company.
- (vi) Determine the rates of interest for direct loans, commissions and fees for guarantees and other financial transactions of a similar kind.
- (vii) Submit financial Statements for each financial year and an annual report for approval to the General Meeting.

## ARTICLE 23

### **Disqualification of Directors**

- (a) The position of Director shall be vacated if the Director:
  - (i) Without the consent of the Company in General Meeting, holds any other office of profit under the Company;
  - (ii) Becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) By notice in writing to the Company, resigns the office of Director;
  - (iv) Becomes mentally incapacitated;
  - (v) Is convicted of any offence in connection with the promotion, formation or management of accompany;
  - (vi) Is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interest in manner required by the provisions of these Statutes;
  - (vii) Is removed from the office of the Director by resolution of the Company under Article 20 of these Statutes.
  - (viii) Is, in the reasonable opinion of the Board, in fundamental breach of the Board Charter as may be amended by the Board from time to time and approved by the General Meeting.
  - (ix) Is, in the reasonable opinion of the Board, in fundamental breach of any one or more of his duties or obligations under these Statutes.

- (x) Is recalled by his nominating country or institution during his tenure on the Board of Directors.
- (b) A director shall be deemed to have resigned should the Member(s) that appointed him cease to hold shares or the number of shares which entitle the Member to appoint the number of Director(s) it has appointed to the Board.

## ARTICLE 24

### **Board of Directors Procedure**

- (a) The Board shall meet for the dispatch of business of the Company, adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise provided in these Statutes, questions arising at any meeting shall be decided by a majority of votes and each Director shall have one vote. In case of equality of votes the Chairman shall have a second or casting vote. All meetings of the Board shall be held at the principal office or at such other place and time as the Board shall decide.
- (b) The quorum necessary for the transaction of the business shall be six (6) provided that there shall be no quorum in the absence of at least one Director appointed by Members in respect of each class of shares. If within two (2) hours from the time appointed for the holding of a meeting the quorum is not present, the meeting shall stand adjourned to a later time or another day, time and place as the Board shall deem fit and if at such adjourned meeting a quorum is not present within one hour from the time appointed for holding the meeting, three (3) Directors present in person shall be a quorum.
- (c) The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Statutes as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number or of summoning a General Meeting at the Company, but not for any other purpose.
- (d) Three Directors may and on their request, the Company Secretary shall at any time summon a meeting of the Board. Twenty-eight (28) clear days' notice at least of every meeting of the Board shall be given to every Director and Alternate Director; every such notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted. Any meeting may be convened on such shorter notice and in such manner as each Director or his Alternate may approve.

- (e) The Board shall elect a Chairman and Vice-Chairman of its meetings and determine the period for which they shall hold office. If at any meeting the Chairman is not present, the Vice-Chairman shall chair the meeting and assume the functions of the substantive Chairman. If at any meeting both the Chairman and Vice-Chairman are not present, the Directors present shall choose one of their number to chair the meeting.
- (f) The Board may delegate some of its powers to committees consisting of such Members or Members of its body as it thinks fit. A committee may elect a chairman of its meetings, if no such chairman is elected or if at any meeting the chairman is not present within thirty (30) minutes after the time appointed for holding the same, the Members present may choose one of their number to be chairman of the meeting.
- (g) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the Members present and in the case of an equality of votes, the chairman shall have a second or casting vote.
- (h) All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
- (i) The Board shall cause proper minutes to be made of the proceedings of the Board and of the attendances thereat and any such minutes of any meeting, if purported to be signed by the Chairman of such meeting or the Chairman of the next succeeding meeting, shall be conclusive evidence without any further proof of the facts therein stated.
- (j) A resolution in writing signed or approved by letter or fax or email by the majority of Directors or their Alternates shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and when signed may consist of several documents each copy of which is signed by one or more of the persons aforesaid.
- (k) It shall be the duty of a Director of the Company who in any way, whether directly or indirectly, is interested in a contract or proposed contract with the Company to declare the nature of his interest at a meeting of the Directors of the Company. In case of a proposed contract, the declaration required shall be made at the meeting of the Directors at which the question of his interest into the contract is first taken into consideration or if the Director was not at the date of that meeting interested in the proposed contract, at the next meeting of Directors held after he became so interested, and in the case where the Director becomes interested in a contract after it is made, the said declaration shall be made at the first meeting of the Directors held after the Director becomes so interested.

## ARTICLE 25

### **Managing Director**

- (a) The Board shall, by majority vote, appoint, suspend or remove a Managing Director for the Company. He shall be appointed upon such remuneration and upon such conditions as the Board shall think fit. He shall be a national of an African Member country with recognized knowledge and experience in housing finance and housing development.
- (b) The term of office of the Managing Director shall be five (5) years. He may be re-appointed for a second term. He shall, however, cease to hold office when the Board so decides by majority vote. If the office of the Managing Director for any reason becomes vacant the Board shall designate an acting Managing Director and shall have one hundred and eighty (180) days to appoint a new Managing Director.
- (c) The Managing Director may participate in the proceedings of the Board and the General Meeting, but shall not vote.
- (d) The Managing Director shall be the legal representative of the Company.
- (e) The Managing Director shall be the Chief Executive of the Company and shall conduct, under the general directives of the Board, the current business of the Company.
- (f) Managing Director shall be responsible for the organization, appointment and dismissal of other officers of the Company and in accordance with the regulations adopted by the Board. He shall report to the Board on the appointment and dismissal of officers. In appointing the officers and staff, the Managing Director shall give paramount importance to securing the highest standards of efficiency and technical competence and integrity and recruit them, among nationals of Member countries and on as wide a geographical basis as possible.

## ARTICLE 26

### **Company Secretary**

- (a) The Company Secretary shall be appointed, suspended or removed by the Managing Director in consultation with the Board.
- (b) The Managing Director shall in consultation with the Board

determine the Company Secretary's duration of appointment, remuneration and other conditions of service.

- (c) The Company Secretary shall serve as Secretary to the Board and the General Meeting.
- (d) The Company Secretary shall keep the summary records of the proceedings of the Board and the General Meeting and full records of their decisions and recommendations.
- (e) The Company Secretary shall have charge of the corporate books and records of the Company.
- (f) In general, the Company Secretary shall perform all duties incidental to his office and shall be responsible to the Managing Director.

## ARTICLE 27

### **Senior Officers of the Company**

There shall be such other senior officers of the Company, other than the Managing Director and the Company Secretary, as the Board may from time to time determine.

## ARTICLE 28

### **Common Seal and its Use**

- (a) The Company Secretary shall provide for the safe custody of the seal of the Company, which shall only be used by the authority of the Board or of a committee of the Board authorized by the Board in that behalf and every instrument to which the seal shall be affixed shall be signed by the Managing Director and shall be countersigned by the Company Secretary or by a Director or by some other person appointed by the Board for the purpose.
- (b) The Company may also, if the Board so determines, have a duplicate Common Seal for use in any place or country outside the host country. The persons with authority to affix a duplicate Common Seal shall provide for the safe custody of the duplicate Common Seal.

The duplicate Common Seal shall be a facsimile of the Common Seal of the Company with the addition on its face of the name of the country or place where it is to be used.

## ARTICLE 29

### **Dividends and Reserve Fund**

- (a) Subject to any preferential or other special rights for the time being attached to any shares, the profits of the Company which it shall from time to time determine to distribute by way of dividends shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid or credited as paid up thereon respectively, otherwise than in advance of calls.
- (b) The Company in General Meeting may declare dividends, but no such dividends shall be payable except out of the profits of the Company. The General Meeting may, from time to time declare and cause the Company to pay to the Members such interim dividends as appear to it to be justified by the position of the Company, and may also from time to time, if in its opinion such payment is so justified, cause to be paid any preferential dividends which by the terms of issue of any shares are made payable on fixed dates.
- (c) The General Meeting may cause to be deducted from any dividend payable to any shareholder all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- (d) The dividends shall be paid in convertible currency and the Board shall determine the mode of such payment.
- (e) No dividend shall bear interest against the Company.

## ARTICLE 30

### **Accounts**

- (a) The Board shall cause proper books of accounts to be kept with respect to:
  - (i) All sums of money received and expended and the matters in respect of which the; receipts and expenditure take place;
  - (ii) All sales and purchases of goods by the Company; and
  - (iii) The assets and liabilities of the Company. Proper books shall not be deemed to be kept if there are not kept such books of accounts as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

- (b) The books of accounts shall be kept at the Principal office of the Company or at such other place or places as the Board thinks fit, and shall always be open to the inspection of the Directors and Members.
- (c) The Board shall, at the end of each fiscal period, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheet, group accounts (if any) and reports as may be required by regulations, directives or decisions of the General Meeting.
- (d) A copy of every balance sheet, including every document required by any regulations, directives or decisions of the General Meeting which is to be laid before the Company in General Meeting, together with a copy of the Auditor's report, shall, not less than twenty-one days before the date of any General Meeting, be sent to every shareholder of, and every holder of debentures of, the Company.

## ARTICLE 31

### **Capitalization of Profits**

- (a) The Company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution.
- (b) Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto.

## ARTICLE 32

### **Audit**

- (a) The Company shall at each Annual General Meeting, appoint an auditor or auditors to hold office from the conclusion of that meeting, until the conclusion of the next Annual General Meeting, and shall define their duties and remuneration.
- (b) The term of office of an auditor may be renewed yearly up to a maximum of five (5) years.

- (c) If any casual vacancy occurs in the office of any auditor appointed by the Company, the Directors shall forthwith fill such vacancy, but such auditor so appointed shall hold office only until the next General Meeting.

## ARTICLE 33

### General Provisions

#### A. Termination of operations

- (i) The Company may not be wound up except by way of a Special Resolution in the General Meeting.
- (ii) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company, divide among the Members in specie or kind any part of the assets of the Company, in accordance with the existing rights of the Members. A Special Resolution sanctioning a transfer or sale to another company duly passed by the General Meeting may in like manner authorize the distribution of any shares or other consideration receivable by the liquidator amongst the Members in accordance with their existing rights.
- (iii) Every Director, Managing Director, officer and Auditor for the time being of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the laws of the host country or any other jurisdiction in which relief is granted to him by court.

#### B. Settlement of Disputes

- (i) If any dispute shall arise between the Company and a Member or between the Company and a former Member of the Company, such dispute shall be submitted to Arbitration by a tribunal of three appointed Arbitrators. One of the Arbitrators shall be appointed by the Company, one by the Member or former Member concerned and the third, unless the parties otherwise agree, by the Executive Secretary at the United Nations Economic Commission for Africa. The third Arbitrator shall be empowered to settle all questions of procedure in any case where the parties fail to reach an Agreement with respect to the procedure to be adopted by them.
- (ii) A majority vote at the Arbitrators shall be sufficient to reach a decision which shall be final and binding on the parties and a decision of the Arbitrators may include an order as to payment of costs and expenses.



- (iii) In all cases not covered by the provisions of these Statutes or any regulations issued under it, the relevant laws of the host country shall apply provided that no provisions of such laws shall be applicable if they are clearly inconsistent or contrary to the objectives and purposes of the Company.
- (iv) The Company shall, on being so required by any Member, send it a copy at the Convention on the Constituent Charter at the Company and a copy of these Statutes.
- (v) Where an amendment is made in the Convention on the Constituent Charter of SHELTER AFRIQUE or these Statutes, every Convention or Statute issued after the date of the amendment shall be in accordance with the amendment.

#### **C. Register of Members and Charges**

- (i) The Company shall keep a register of its Members and enter therein the following particulars:
  - (a) The names and postal addresses of the Members, and a statement of the shares held by each Member distinguishing each share by its number and the amount paid on the shares of each Member;
  - (b) The date on which each person was entered in the register as a Member.

The register of Members shall be kept in the principal office of the Company and shall be available at all times for inspection by Members.

- (ii) The Company shall keep a register of mortgages and other charges and shall make such register available for inspection by third parties.

#### **D. Amendments of Statutes**

- (I) Amendments to these Statutes may be made by Special Resolution in a General Meeting.
- (II) Any amendment so made in the Articles shall, subject to the provisions of these Statutes, be as valid as if originally contained therein and be subject in like manner to amendment by Special Resolution.
- (III) When an amendment has been adopted, the Company Secretary shall certify it in a formal communication addressed to all Members. Amendments shall enter into force for all Members three calendar months after the month in which such communication is issued, unless the amendment referred to in paragraph (i) of this Article specifies therein a different period.

ORIGINALLY DONE AT LUSAKA ON THE ELEVENTH DAY OF MAY NINETEEN HUNDRED AND EIGHTY TWO IN A SINGLE ORIGINAL IN ENGLISH AND FRENCH LANGUAGES, BOTH TEXTS BEING EQUALLY AUTHENTIC.

## ANNEXURE

### **PART 1: Election of Class "A" Directors and Alternate Directors Country Groupings**

For the election of Class "A" Directors and Alternate Directors, the representatives of this class of Members shall group themselves into country groupings corresponding to the available seats on the Board, and having in the aggregate as far as possible, equal voting powers in the Company.

Each group shall elect one Director and one Alternate Director. PROVIDED that 10% or more shareholding on called and paid up capital shall entitle a Member to nominate a Director and an Alternate Director.

#### **Nominations**

One or more representatives in a group may nominate one person as a Director and another as the Alternate.

Nominations shall be made on a Nomination Form furnished by the Company Secretary, signed by the representative or representatives making the nominations and deposited with the Company Secretary.

A representative may nominate only one person as Director and another as Alternate Director and on the same Nomination Form.

Nominations may be made at such time and place as designated by the Company Secretary but not later than 6.00 p.m on the day preceding the election. The Company Secretary shall make and distribute a list of the persons nominated in the manner set forth above.

#### **Supervision of The Election**

The Company Secretary shall appoint such tellers and other assistants and take such other action as he deems necessary for the conduct of the election.

#### **Ballots**

One ballot form shall be furnished before a ballot is taken to each representative entitled to vote. On any particular ballot, only ballot forms distributed for that ballot shall be counted.

**Balloting**

Each ballot shall be taken as follows:

There shall be a call of representatives entitled to vote, and each ballot, signed by the representative, shall be deposited in the ballot box;

If the tellers shall be of the opinion that any particular ballot is not properly executed they shall, if possible, afford the representative concerned an opportunity to correct it before tallying the results, and such ballot, if so corrected shall be deemed to be valid.

When there is more than one nominee on any ballot, the nominee Director and Alternate Director receiving the highest number of votes shall be deemed elected.

**Elimination of Nominees**

If on any ballot two or more nominees shall receive the same number of votes, the nominees shall be dropped from the next succeeding ballot, but if the same situation is repeated on such succeeding ballot, the Company Secretary shall eliminate, by lot, all such nominees, except one who shall be deemed elected together with his Alternate.

**Announcement of Results**

After the last ballot, the Company Secretary shall cause to be distributed a statement setting forth the result of the election.

**Effective Date of Election**

The effective date of the election shall be the day of this election.

**General**

Any question arising in connection with the conduct of the election shall be resolved by the teller, subject to appeal, at the request of any representative to the Company Secretary and from him to the General Meeting. Whenever possible, any such question shall be put without identifying the representative concerned.

For the election of the first Directors and Alternate Directors the Secretary General of the African Development Bank shall discharge the functions of the Company Secretary.

## **PART II: Appointment of Class "B" Directors and Alternate Directors**

- (a) For the election of Class "B" Directors and Alternate Directors, Class "B" Members or their representative, which for the purpose hereof means, a person designated, by an instrument approved by the Board in writing, as such by the relevant Member for purposes of attending and voting at a General Meeting, shall group themselves into groups equivalent to the corresponding number of seats available for Class "B" Directors in the Board. Each group of Class "B" Members or their representative shall elect one Director and such Director's Alternate.
- (b) Subject to clause (c) of this Part II, where there is one Class "B" Member or where the number of Class "B" Members is less than the number of seats available for Class "B" Members in the Board, the available Members shall, each, be entitled to vote for only one Director and such Director's Alternate.
- (c) Where, the circumstances set out in (b) of this Part II exist, a Class "B" Member, if any, who holds twenty percent (20%) or more, shareholding on the called and paid up capital of the Company shall be entitled to elect one additional Director and an Alternate for every ten percent (10%) shareholding after the other Class "B" Members holding less than ten (10) percent shareholding have appointed one Director and an Alternate each subject to the maximum number of seats available for Class "B" Directors in the Board.
- (d) If, by virtue of application of the principles set out in (b) and (c) above and having regard to the number of Directors appointed by Class "A" Members and Class "C" Members, the number of Directors in the Board is less than the minimum prescribed under the Statutes, Class "A" Members shall be entitled to vote for an additional number of directors as are required to meet the minimum number of Directors prescribed under the Statutes.

The nomination process shall follow the process prescribed under Part I above.

## **Part III: Appointment of Class "C" Directors and Alternate Directors**

- (a) For the election of Class "C" Directors and Alternate Directors, Class "C" Members or their representative, which for the purpose hereof means, a person designated, by an instrument approved by the Board in writing, as such by the relevant Member for purposes of attending and voting at a General Meeting, shall group themselves into a number of groups equivalent to the corresponding number of seats available for Class "C" Directors in the Board. Each group of Class "C" Members or their representative shall elect one Director and such Director's

Alternate.

- (b) Subject to clause (c) of this Part III, where there is one Class "C" Member or where the number of Class "C" Members is less than the number of seats available for Class "C" Members in the Board, the available Members shall, each, be entitled to vote for only one Director and such Director's Alternate.
- (c) Where, the circumstances set out in (b) of this Part III exist, a Class "C" Member, if any, who holds twenty percent (20%) or more, shareholding on the called and paid up capital of the Company shall be entitled to elect one additional Director and an Alternate for every ten percent (10%) shareholding after the other Members holding less than ten (10) percent shareholding have appointed one Director and an Alternate each subject to the maximum number of seats available for Class "C" Directors in the Board.
- (d) If, by virtue of application of the principles set out in (b) and (c) of this Part (iii) and having regard to the number of Directors appointed by Class "A" Members and Class "B" Members, the number of Directors in the Board is less than the minimum prescribed under the Statutes, Class "A" Members shall be entitled to vote for an additional number of directors as are required to meet the minimum number of Directors prescribed under the Statutes.

The nomination process shall follow the process prescribed under Part I above.

#### **PART IV: Election of Independent Directors**

- (a) Independent Directors shall be elected by the General Meeting on the recommendation of the Board.
- (b) The recommendation of the Board shall be based on the terms at reference and process of appointment of Independent directors as previously approved by the General Meeting.





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