

**INFRACO AFRICA INVESTMENT LIMITED
FUNDERS' AGREEMENT**

**AN AGREEMENT BETWEEN INFRACO AFRICA INVESTMENT LIMITED, THE
PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP LIMITED AND THEIR
SHAREHOLDER IN RELATION TO THE FUNDING AND OPERATION OF
INFRACO AFRICA INVESTMENT LIMITED**

This agreement dated 21 October 2019 between InfraCo Africa Investment Limited, The Private Infrastructure Development Group Limited and their shareholder (the "Agreement") is made between:

1. The Private Infrastructure Development Group Limited, a company registered in England and Wales with number 11265124 whose registered office is at 6 Bevis Marks, London, England, EC3A 7BA ("**PIDG Ltd**");
2. SG Kleinwort Hambros Trust Company (UK) Limited, Multiconsult Trustees Ltd and Minimax Ltd acting as trustees of the Private Infrastructure Development Group Trust (hereinafter referred to as the "**PIDG Trust**"); and
3. InfraCo Africa Investment Limited, a company incorporated under the laws of England and Wales with registration number 09152403 whose registered office is at 6 Bevis Marks, London, England, EC3A 7BA ("**Iafl**");

each a "**Party**" and together the "**Parties**" to this Agreement.

INTRODUCTION AND BACKGROUND:

- (A) On 1 December 2001 SG Hambros Trust Company Limited, Multiconsult Trustees Ltd (formerly known as MC Trust Ltd) and Minimax Ltd executed a declaration of trust for the establishment of the PIDG Trust, a purpose trust under Mauritius law, as amended by an Amended and Restated Declaration of Trust dated 14 March 2003 and a Second Amended and Restated Declaration of Trust dated 4 September 2018 (the "**Declaration of Trust**").

- (B) On 30 November 2016 Kleinwort Benson Trustees Limited (registered in England and Wales with number 514879) signed an asset purchase agreement to purchase the majority of the assets of SG Hambros Trust Company Limited (this agreement did not include the PIDG Trust and its assets). Effective on 30 November 2016 the name of Kleinwort Benson Trustees Limited changed to SG Kleinwort Hambros Trust Company (UK) Limited (with registered number 00514879). As a consequence, SG Hambros Trust Company Limited has retired as Principal Trustee of the PIDG Trust and in due course will be wound up. SG Kleinwort Hambros Trust Company (UK) Limited became the Principal Trustee of the PIDG Trust by the Second Amended and Restated Declaration of Trust for the PIDG Trust dated 4 September 2018 (referred to in Recital A). As at the date of this Agreement, the existing share in IAfl has been transferred to SG Kleinwort Hambros Trust Company (UK) Limited, Multiconsult Trustees Ltd and Minimax Ltd as current trustees of the PIDG Trust. All shares issued from the date of this Agreement will be issued to SG Kleinwort Hambros Trust Company (UK) Limited, Multiconsult Trustees Ltd and Minimax Ltd as trustees of the PIDG Trust.
- (C) By a Memorandum of Understanding dated 14 March 2003 (the “**Original Memorandum of Understanding**”) relating to the Constitution of the Private Infrastructure Development Group, DFID, Sida, DGIS and SECO established the Private Infrastructure Development Group (the “**PIDG**”) to provide a strategic approach to developing financing for private infrastructure investment.
- (D) By an Accession and Amendment Letter dated 24 September 2004 in relation to the Original Memorandum of Understanding, the World Bank Group became a member of the PIDG. By an Accession and Amendment Letter dated 17 July 2006 in relation to the Original Memorandum of Understanding, the Austrian Government acting through the Austrian Development Agency (“**ADA**”) became a member of the PIDG but subsequently withdrew from membership in 2014. By an Accession and Amendment Letter dated 20 November 2007 in relation to the Original Memorandum of Understanding, Irish Aid became a member of the PIDG but subsequently withdrew from membership in 2015. By an Accession and Amendment Letter dated 5 October 2009 in relation to the Original Memorandum of Understanding, Kreditanstalt für Wiederaufbau (“**KfW**”) became a member of the PIDG.
- (E) DFID, Sida, DGIS, SECO, World Bank Group (represented by International Finance

Corporation (“**IFC**”)), ADA, Irish Aid and KfW agreed certain changes to the Original Memorandum of Understanding and the Constitution of the PIDG as set out in an Amended Memorandum of Understanding dated 10 October 2013 (the “**Memorandum of Understanding**”) and an Amended Constitution of the PIDG dated 1 June 2013 (the “**PIDG Constitution**”). The Australian Agency for International Development (“**AusAID**”) (subsequently incorporated into the Australian Department of Foreign Affairs and Trade (“**DFAT**”)) signed the Memorandum of Understanding and became a member of the PIDG. By an Accession Letter dated 18 December 2014 in relation to the Memorandum of Understanding the Norwegian Ministry of Foreign Affairs, through the Department for Economic Relations and Development, Section for Economic and Commercial Affairs (“**MFA**”) became a member of the PIDG.

- (F) On 4 August 2004 the PIDG Trust established InfraCo Africa Limited (“**IAf**”) for the purpose of creating viable infrastructure opportunities which balance the interests of host governments and national and international private sector providers of finance by assuming the risks and responsibilities of early stage development of infrastructure projects and later offering opportunities for private sector investment.
- (G) The First DFID Grant Arrangement was entered into for the purpose of providing support to IAfI which was proposed to be established (at the appropriate time as and when the activities of IAf had been running for some time) as a private limited company in order to invest in projects developed by IAf and/or by other infrastructure project developers at a later stage in the project cycle. IAfI was therefore incorporated on 29 July 2014 in England as a wholly owned subsidiary of the PIDG Trust.
- (H) A list of Funding Instruments entered into by each IAfI Owner in respect of IAfI as at the date of this Agreement is set out in Schedule 4 (Funding Instruments).
- (I) As at the date of this Agreement, the issued share capital of IAfI is one IAfI Share, which is held by the PIDG Trust.
- (J) The PIDG Constitution and the Declaration of Trust set out the terms upon which the activities and investments of the PIDG Trust are managed. The Funding Instruments between each IAfI Owner and the PIDG Trust and PIDG Ltd (where applicable) set out the terms upon which each IAfI Owner makes funds available to the PIDG Trust for IAfI.

- (K) On 20 March 2018, PIDG Ltd was incorporated as a wholly owned subsidiary of the PIDG Trust. On 29 June 2018, PIDG Ltd, the PIDG Trust and IAfl, amongst others, executed the 2018 Reorganisation Agreement for the purposes set out therein.
- (L) The purpose of this Agreement is to, inter alia, record the IAfl Owners' funding commitments to the PIDG Trust in respect of IAfl; to regulate the allocation between the IAfl Owners of the disbursement of Commitments; to regulate the allocation of any Proceeds of the PIDG Trust's investments in IAfl; and to regulate arrangements between the IAfl Owners and PIDG Ltd in respect of the monitoring and management of the PIDG Trust's investment in IAfl.

1 DEFINITIONS

1.1 Terms not otherwise defined shall have the meanings set forth below.

"2018 Reorganisation Agreement"	means the agreement dated 29 June 2018 between the PIDG Owners, PIDG Ltd, the PIDG Trust and the Entities established by the PIDG Trust (including IAfl) relating to the implementation of a new governance framework for the PIDG;
"Accounts"	means the latest available audited financial statements of IAfl, at any time, and the latest available management accounts of IAfl;
"Additional IAfl Owner"	means any PIDG Owner (and, subject to the approval of the PIDG Owners, any other Entity) who provides funding (either for IAfl Shares or as otherwise agreed by the PIDG Owners) in respect of IAfl;
"Annual Budget"	means the detailed annual budget of IAfl sent to PIDG Ltd for approval in accordance with Clause 9.1(iv)
"Available Commitment"	means at any point in time in any Financial Year, the amount of each IAfl Owner's Commitment in that Financial Year less any Contributions made by that IAfl

	Owner in that Financial Year as at that point in time;
“Board of Directors”	means the board of directors of IAfl;
“Business Day”	means a day (other than a Saturday or a Sunday) on which banks are generally open for normal business in London;
“Business Plan”	means the five year business plan for IAfl sent to PIDG Ltd for approval in accordance with the provisions of Clause 9.1(iv);
“Cash Disbursement Documents”	has the meaning given to it in Clause 4.1.2;
"Commitment"	means each IAfl Owner's funding commitment as set out in Schedule 1 (Schedule of Commitments) (subject always to the provisions of the relevant Funding Instrument);
“Completion”	means the implementation of the matters described in Clause 5.15;
“Conditions”	means the conditions precedent and subsequent referred to in Clause 5.3;
“Contingent Termination Payment”	means any payment that IAfl would be required to make as a result of IAfl terminating any Management Services Agreement and any other contractual arrangement (including any employment contracts) as a result of an IAfl Owner's decision to amend, reduce or terminate funding under a Funding Instrument; any Winding Up Costs; any Project Financing Forex Costs;
"Contribution"	means the amount of each cash disbursement made from time to time for the support of IAfl by each IAfl Owner to the PIDG Trust (if relevant, through a Holding Company) pursuant to the relevant Funding Instrument (for the avoidance of doubt, the issue of a Promissory Note shall

not be a Contribution);

“Current Exchange Rate”

means the relevant rate of exchange obtained by SG Kleinwort Hambros Bank Limited (as bankers to the PIDG Trust) in the London foreign exchange market on the date and time at which a Share Subscription Amount is disbursed by the PIDG Trust to IAfl and communicated in writing by SG Kleinwort Hambros Bank Limited via PIDG Ltd to IAfl (or as otherwise as may be agreed in writing between the Parties);

“DFID”

The Government of the United Kingdom, acting through the Secretary of State for International Development at the Department for International Development;

“DFID Grant Arrangements”

means the First DFID Grant Arrangement, the Second DFID Grant Arrangement and/or any subsequent grant arrangement made by DFID to the PIDG Trust for the support of IAfl;

“DGIS”

The Government of The Netherlands represented by the Directorate for Sustainable Economic Development – The Netherlands Minister for Development Co-operation;

“Disbursement Allocation Record”

means the written record of the IAfl Owners prepared by PIDG Ltd confirming how the IAfl Owners will, if at all, fund any particular disbursement (the **“Agreed Proportions”**). For the purposes of any Disbursement Allocation Record, the Agreed Proportions shall reflect the following: (i) that unless agreed otherwise, the IAfl Owners, subject to the terms and conditions of their Funding Instruments, will fund each disbursement on a pro-rata basis in accordance with each IAfl Owner’s Available Commitment in any Financial Year; (ii) the provisions of Schedule 1 (Schedule of Commitments); and

	(iii) that the relevant IAfl Owner is obliged to disburse any amount demanded by PIDG Ltd (on behalf of the PIDG Trust and IAfl) under a Promissory Note issued by that IAfl Owner in accordance with Clause 4.2.4;
“Disbursement Request”	has the meaning given to it in Clause 4.1.3;
“Dispute”	has the meaning given to it in Clause 12.1;
“Eligible Countries”	means those countries in which IAfl is permitted to invest in accordance with the Unified Investment Policy as amended from time to time;
“Entity”	means any general partnership, limited partnership, corporation, joint venture, trust, business trust, limited liability company, limited liability partnership, co-operative or association or similar entity, whether or not a legal person but excludes a natural person;
“Final Owner Disbursement Date”	means, in relation to each Funding Instrument, the expiry date of such Funding Instrument, after which date no more disbursements will be made by the relevant IAfl Owner (and as noted in Schedule 1);
“Financial Year”	means 1 January to 31 December in each year (or such other period as may be mutually agreed in writing between IAfl and PIDG Ltd);
“First DFID Grant Arrangement”	means the grant arrangement entered into by DFID and the PIDG Trust dated 12 March 2012 as amended and restated on 6 June 2014 and subsequently further amended by (i) an Amendment No.1 to the Amended and Restated Letter of Arrangement dated 10 December 2014, (ii) an Amendment No.2 to the Amended and Restated Letter of Arrangement dated 22 July 2015, (iii) an Amendment

No.3 to the Amended and Restated Letter of Arrangement dated 15 February 2016, (iv) an Amendment No. 4 to the Amended and Restated Letter of Arrangement dated 13 March 2017, (v) an Amendment No. 5 to the Amended and Restated Letter of Arrangement dated 1 February 2018 and as may be further amended and restated from time to time relating to the period from 1 March 2012 to 31 March 2018 pursuant to which DFID agreed to grant up to £50,000,000 to the PIDG Trust for the support of IAfl's activities as referred to in Recital F;

"Funding Instrument" means the funding instruments listed in Schedule 4 and any other grant, Loan or instrument relating to the funding of IAfl entered into hereafter between, *inter alia*, an IAfl Owner and the PIDG Trust and/or PIDG Ltd;

"General Administration Costs" has the meaning given to it in the PIDG Constitution;

"Holding Company" means such wholly owned Entity of the PIDG Trust (if any) as may be established from time to time to hold, *inter alia*, the IAfl Shares;

"HSES Policies and Procedures" means the health, safety, environmental, security and social policies and procedures for the PIDG approved by the board of directors of PIDG Ltd from time to time, which PIDG Ltd notifies each of the PIDG Companies and ICF Debt Pool LLP that it is required to comply with;

"IAfl Constitution" means the Memorandum and Articles of Association or other constitutional documents, as appropriate, of IAfl. A copy of the Memorandum and Articles of Association of IAfl as at the date of this Agreement is attached as Annexure 1;

“IAfI Financing”	means a contractual commitment by IAfI to finance (by way of debt or equity or quasi-equity participation) a Project in accordance with the Unified Investment Policy;
“IAfI Management Accounts”	means in relation to each Quarter the management accounts of IAfI for the relevant Quarter which shall include as a minimum (i) a balance sheet and profit and loss account (or equivalent) providing financial performance information for the relevant Quarter and appropriate comparable preceding periods; (ii) a comparison of expenditure against the relevant Annual Budget; and (iii) valuations of each IAfI investment based on the audited financial statements of IAfI referred to in Clause 8.1(v) for the previous Financial Year unless PIDG Ltd is of the view that an updated valuation of an IAfI investment is required because of, for example, an impairment assessment, in which case the valuation of the relevant IAfI investment will be based on the updated valuation;
“IAfI Owner”	means DFID and, together with any Additional IAfI Owner, the “IAfI Owners”;
“IAfI Shares”	means the £1.00 ordinary shares issued or to be issued in the capital of IAfI;
“InfraCo Africa Limited” or “IAfI”	means the company incorporated on 4 August 2004 under the laws of England & Wales as a wholly owned Entity of the PIDG Trust with registered number 05196897 having its registered office at 6 Bevis Marks, London, England, EC3A 7BA;
“IFRS”	means the International Financial Reporting Standards issued by the International Accounting Standards Board,

as amended from time to time;

**“International Aid
Transparency
Initiative” or “IATI”**

means the voluntary, multi-stakeholder initiative established at the third High Level Forum on Aid Effectiveness in Accra in 2008. IATI seeks to support stakeholders to meet their Accra commitments to improve the transparency of aid, development and humanitarian resources, through the use of an agreed common, open, standard for the publication of aid information – the IATI Standard – in order to increase their effectiveness in tackling poverty;

“Loan”

means a loan made available to IAfl by an IAfl Owner via the PIDG Trust or as otherwise may be agreed by the IAfl Owners and PIDG Ltd;

“Loan Agreement”

means any agreement under which a Loan is made;

**“Management Services
Agreement”**

means the services agreement entered into between IAfl and InfraCo Africa Limited dated 1 July 2019 and each other agreement (if any) as may be entered into between IAfl and a Management Services Provider for the provision of management services to IAfl, as amended, superseded or replaced from time to time;

**“Management Services
Provider”**

means each management services provider of IAfl (if any) as may be appointed by IAfl pursuant to a Management Services Agreement or equivalent to which appointment PIDG Ltd has not objected;

**“Material Adverse
Effect”**

means a material adverse effect (which is continuing) on IAfl’s business, operations, assets, financial condition, results or general affairs or its ability to fulfil its obligations under this Agreement but, in any event, not including any such material adverse effect which has been

cured or remedied;

“Missed Commitment”	has the meaning given to it in Clause 8.4;
“Need”	means (i) the commercial requirements of IAfi to maintain a stable and commercially sound business model and (ii) IAfi’s expected corporate operating costs (over the following 3 months or such other period as an IAfi Owner may agree to fund) as set out in Clause 4.1.1;
“Needs Letter”	means the letter referred to in Clause 4.1.2;
“OECD Principles of Corporate Governance”	means the principles of corporate governance published by the Organisation for Economic Cooperation and Development as may be amended from time to time;
“Owner Disbursement Date”	means the date on which an IAfi Owner shall disburse its Contribution or Promissory Note (as applicable) to the PIDG Trust in accordance with Clause 4;
“P-Note”	means a participatory note substantially in the form attached as Schedule 7;
“PIDG Code of Conduct”	means the code of conduct approved by PIDG Ltd and the PIDG Owners from time to time and which PIDG Ltd, ICF Debt Pool LLP and all PIDG Companies are required to adopt and incorporate into their governance documents as a minimum standard of conduct;
“PIDG Company”	means a corporate Entity owned, either in whole or in part, by the PIDG Trust including IAfi but excluding PIDG Ltd and ICF Debt Pool LLP;
“PIDG Constitution”	has the meaning given to it in Recital (E);
“PIDG Operating	means the operating policies and procedures approved by

Policies and Procedures”

the PIDG Owners and PIDG Ltd from time to time (or equivalent policies and procedures) and which the PIDG Owners require PIDG Ltd, ICF Debt Pool LLP and all PIDG Companies to adopt and incorporate into their governance documents as a minimum standard including the PIDG Procurement Policy and Guidelines, the PIDG Environmental and Social Policy and Procedures, the PIDG Disclosure Policy and Procedures, the PIDG Anti-corruption and Integrity Policy and Procedures, the PIDG Appointment and Evaluation of Directors Policy and Procedures, the PIDG Remuneration Policy and Procedures (including the PIDG Remuneration Framework), the PIDG Travel and Expense Reimbursement Policy and Procedures, the PIDG Conflict of Interest and Share Dealing Policy and Procedures, the PIDG Complaints Policy and Procedures, the PIDG Risk Management Policy and Procedures and the PIDG Due Diligence Policy and Procedures;

"PIDG Owner"

means any donor (as defined in the PIDG Constitution) who is or becomes a member of PIDG;

“PIDG Results Monitoring Handbook”

means the results monitoring handbook of the PIDG approved by PIDG Ltd (as at the date of this Agreement the most recent revision date being April 2019) as amended from time to time;

“PIDG Trust”

means the Private Infrastructure Development Group Trust, a trust established under the laws of Mauritius;

“PIDG Trust Management Accounts”

means the unaudited balance sheet and the unaudited profit and loss account of the PIDG Trust for the relevant Quarter including valuations (updated for the relevant Quarter) of each of the PIDG Trust’s investments based on a valuation methodology which is consistent with that

applied in the PIDG Trust's audited financial statements referred to in Clause 8.1(v) below;

“Pre-Agreed Targets” means such weighted development impact targets as agreed by PIDG Ltd and IAfl for IAfl in respect of each Financial Year and as shall be approved by PIDG Ltd in each case in accordance with the relevant provisions of the PIDG Results Monitoring Handbook;

"Proceeds" means all dividends, interest, loan repayment or other monies received by the PIDG Trust, directly or indirectly from IAfl in respect of the IAfl Shares or this Agreement and all other proceeds in respect of or derived from such IAfl Shares or this Agreement (whether by way of redemption (if applicable), bonus, preference, option, substitution, conversion or otherwise) and any monies to be received by the PIDG Trust or other IAfl Owners in connection with any sale, liquidation, dissolution or winding up or similar action with respect to IAfl (and in each and every case referred to above, net of all actual and contingent liabilities, as properly reflected in the books of account of IAfl, and net of all taxes and withholdings);

“Project” means any actual or potential infrastructure or infrastructure related project and/or investment which is, or may be, (as applicable) supported and/or funded by IAfl by way of an IAfl Financing in accordance with the Unified Investment Policy;

“Project Client” means any company, body corporate, partnership, investment vehicle or other Entity to or in which IAfl has provided an IAfl Financing for the purposes of supporting a Project;

“Project Financing means such additional amount of funding for an IAfl

Forex Costs	Financing as may be required from the relevant IAfl Owner by IAfl for such IAfl Financing as a result of GBP and other major currencies (i.e. USD and EUR) foreign exchange movements between the date a Promissory Note is issued by the relevant IAfl Owner for the IAfl Financing and the date such funding is drawn down by IAfl and any security margin required by a bank counterparty (in the ordinary course of business) to a committed forward exchange contract, subject always to a cap of the relevant IAfl Owner's Available Commitment;
"Project Interests"	means all of IAfl's rights, title and interest in a Project whether held in a Project Client or otherwise;
"Promissory Note"	means a promissory note substantially in the form attached as Schedule 8;
"Promissory Note Drawdown Request"	means a promissory note drawdown request substantially in the form attached at Schedule 8;
"Promissory Note Issue Request"	means a promissory note issue request substantially in the form attached at Schedule 9;
"Quarter"	means each period of three months ending on 31 March, 30 June, 30 September and 31 December in each Financial Year;
"Schedule of Commitments"	means the schedule of commitments set out in Schedule 1 of this Agreement, as amended from time to time in accordance with Clause 4 and/or Clause 11;
"SECO"	The Government of the Swiss Confederation acting through the Swiss Secretariat for Economic Affairs;
"Second DFID Grant Arrangement"	means the grant arrangement for multiple PIDG activities entered into between DFID, PIDG Ltd and the PIDG Trust dated 4 December 2018 as may be amended from time to

time, pursuant to which DFID agreed to grant up to £40,400,000 (or such other amount as may be agreed between the parties thereto) to the PIDG Trust to enable the PIDG Trust to subscribe for IAfl Shares;

“Share Subscription” means a subscription for IAfl Shares by the PIDG Trust pursuant to the terms hereof;

“Share Subscription Amount” means the amount so specified in any Share Subscription Request;

“Share Subscription Date” means the date specified in any Share Subscription Request and has the meaning given to it in Clause 4.1.2;

“Share Subscription Request” means each signed and dated subscription request from IAfl to the PIDG Trust in the form set out in Schedule 5 prepared in accordance with the provisions of clause 5 of this Agreement;

“Sida” the Swedish Government, acting through the Swedish International Development Cooperation Agency;

“Term” has the meaning given to it in Clause 10.1;

“Total Available Commitment” for any calendar year means the amount set out as the total available commitment from the PIDG Trust for such calendar year in the Column headed “PIDG Trust” in Schedule 1 (as may be increased or decreased from time to time in accordance with the provisions of Clause 4.12);

“Trustees” means the trustees of the PIDG Trust from time to time. At the date of this Agreement the Trustees are SG Kleinwort Hambros Trust Company (UK) Limited, Multiconsult Trustees Ltd. (formerly known as MC Trust Ltd.) and Minimax Ltd;

“Unified Investment means the investment policy for the PIDG Companies

Policy”	approved by PIDG Ltd and the PIDG Owners from time to time;
“Warranties”	means the warranties contained in Clause 6; and
“Winding Up Costs”	means the expected costs of any liquidation and/or winding up of IAfl (including selling or transferring any Project Interests and procuring the settlement of any and all amounts outstanding under any IAfl Financing) pursuant to Clause 10.3, such costs to be agreed between the IAfl Owners and PIDG Ltd at a meeting of the IAfl Owners and PIDG Ltd in accordance with Clause 10.1 or Clause 10.2, subject always to a cap of each IAfl Owner’s Available Commitment.

- 1.2 Any express reference to an enactment (which includes any legislation in any jurisdiction) includes references to:
 - 1.2.1 that enactment as re-enacted, amended, extended or applied by or under any other enactment before or after the date of this Agreement;
 - 1.2.2 any enactment which that enactment re-enacts (with or without modification); and
 - 1.2.3 any subordinate legislation (including regulations) made (before or after the date of this Agreement) under any enactment, as re-enacted, amended, extended or applied as described in Clause 1.2.1, or under any enactment referred to in Clause 1.2.2.
- 1.3 References to an “agreement” or “document” shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of this Agreement.
- 1.4 References to a “company” shall be construed so as to include a company, subsidiary, corporation or other body corporate or other Entity, wherever and

however incorporated or established.

- 1.5 A company is a “subsidiary” of another company, its “holding company”, if that other company:

1.5.1 holds a majority of the voting rights in it; or

1.5.2 is a member of it and has the right to appoint or remove a majority of its board of directors; or

1.5.3 is a member of it and controls alone, or pursuant to an agreement with other shareholders or members, a majority of the voting rights in it, or if it is a subsidiary of a company which itself is a subsidiary of that other company.

- 1.6 A company is a “wholly-owned subsidiary” of another company if it has no members except that other and that other's wholly-owned subsidiaries or persons acting on behalf of that other or its wholly-owned subsidiaries.

- 1.7 References to a “person” shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having a separate legal personality).

- 1.8 References to any English legal term for any action, remedy, method or judicial proceeding, legal document, legal status, court, official, or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term.

- 1.9 References to “US dollars” or “US\$” are to the lawful currency from time to time of the United States of America, references to “£” or “GBP” are to the lawful currency from time to time of the United Kingdom and references to “€” or “Euro” or “EUR” are to the lawful currency from time to time of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended.

- 1.10 Where there is any inconsistency between the definitions set out in this Clause 1 and the definitions set out in any Clause or Schedule, then for the purposes of construing such Clause or Schedule, the definitions set out in such Clause or Schedule shall prevail.
- 1.11 The singular shall include the plural and vice versa and words importing the masculine shall include the feminine and neuter and vice versa.
- 1.12 The index and the headings in this Agreement do not affect its interpretation.
- 1.13 Any Schedule or Annexure to this Agreement shall take effect as if set out in this Agreement and references to this Agreement shall include its Schedules and Annexures except that the Annexures to Schedule 4 shall not form part of this Agreement and are attached to this Agreement for information only.
- 1.14 References to: (i) a “Party” is to a party to this Agreement and the “Parties” is to all the parties to this Agreement; and (ii) “Clauses”, “Paragraphs”, “Schedules” and “Annexures” are references to the clauses, paragraphs, schedules and annexures of this Agreement.
- 1.15 The words “including”, “include(s)”, “in particular” or any similar expression shall be deemed to be followed by the words “but is/are not limited to” and any phrase or expression introduced by such terms shall be construed as illustrative only.
- 1.16 Clauses 1.2 to 1.15 apply unless the contrary intention appears.

2 PURPOSE - VISION, MISSION AND ROLE OF IAFI

2.1 IAFI’s objectives are to:

- (i) address market failures in the supply of capital throughout the project lifecycle to infrastructure projects in Eligible Countries which can delay and sometimes prevent financial close of viable infrastructure projects; and
 - (ii) facilitate the accelerated construction and completion of infrastructure projects that satisfy the criteria as set out in the Unified Investment Policy,
- by making investments in Projects that provide benefits to the poor, including girls

and women, all in accordance with the provisions of the Unified Investment Policy.

3 IAFI'S CONSTITUTION AND OTHER IMPORTANT DOCUMENTS AND COVENANTS

3.1 IAFI hereby undertakes to each of PIDG Ltd and to the PIDG Trust that it shall:

3.1.1 at all times conduct its business with reasonable skill and care and in accordance with internationally recognised financial and business practices;

3.1.2 at all times carry on its business in accordance with the IAFI Constitution, the 2018 Reorganisation Agreement, the Unified Investment Policy, the HSES Policies and Procedures, the PIDG Code of Conduct and the PIDG Operating Policies and Procedures;

3.1.3 maintain at all times a firm of independent accountants acceptable to PIDG Ltd as auditors of IAFI;

3.1.4 provide PIDG Ltd with a copy of any Management Services Agreement(s) (subject to PIDG Ltd keeping such Management Services Agreement(s) confidential in accordance with the provisions of Clause 9.3) and comply with the terms of any Management Services Agreement(s) and procure that each Management Services Provider shall comply with (i) its and IAFI's reporting obligations to PIDG Ltd as set out in this Agreement (ii) all applicable sections of the PIDG Code of Conduct and PIDG Operating Policies and Procedures and (iii) all applicable sections of the HSES Policies and Procedures or equivalent policies adopted by a Management Services Provider which PIDG Ltd considers to be of the same or a more onerous standard;

3.1.5 obtain and maintain all insurances as shall be usual for a business undertaking the activities undertaken by IAFI and such additional insurances as PIDG Ltd shall from time to time reasonably require (having regard to the levels of cover and the premium rates at the time);

- 3.1.6 conduct its business in compliance with OECD Principles of Corporate Governance to the extent applicable to IAfi or as otherwise reasonably required by PIDG Ltd;
 - 3.1.7 ensure that the audited financial statements it produces in respect of each Financial Year are prepared in accordance with IFRS;
 - 3.1.8 not enter into any transaction with any person other than in the ordinary course of its business on the basis of arm's length arrangements;
 - 3.1.9 institute internal procedures and controls for the purpose of preventing IAfi, any Project Client and/or any Management Services Provider from becoming an instrument for money laundering, the financing of terrorist activities, fraud or other corrupt or illegal purposes or practices; and
 - 3.1.10 adopt and maintain at all times a treasury policy prepared in accordance with the "Guidance on Preparing PIDG Company Treasury Policies" set out in Annexure 2 or as may be otherwise agreed with PIDG Ltd from time to time.
- 3.2 IAfi agrees that it shall not, and PIDG Ltd and the Trustees agree that they shall exercise all rights available to them to procure that IAfi shall not, undertake any of the items set out in Part 1 of Schedule 3 without the prior written consent of PIDG Ltd (and where applicable the PIDG Trust) and PIDG Ltd shall also seek the prior written consent of the IAfi Owners for any items where it is required to do so under the 2018 Reorganisation Agreement.
- 3.3 IAfi agrees that it shall not undertake any of the items set out in Part 2 of Schedule 3 without the prior written consent of PIDG Ltd (and where applicable the PIDG Trust) and PIDG Ltd shall also seek the prior written consent of the IAfi Owners for any items where it is required to do so under the 2018 Reorganisation Agreement.
- 3.4 Without prejudice to the provisions of Clause 3.2 and Clause 3.3, the PIDG

Trust undertakes to PIDG Ltd that to the extent that any rights in respect of any of the items set out in Schedule 3 are reserved to the Trustees of the PIDG Trust in their capacity as a shareholder of IAfl whether in the IAfl Constitution or otherwise, then the Trustees will only exercise any such rights in accordance with the instructions of the IAfl Owners in accordance with the Declaration of Trust.

3.5 The Trustees of the PIDG Trust undertake in respect of all matters relating to IAfl:

3.5.1 to comply with the HSES Policies and Procedures, the PIDG Code of Conduct and PIDG Operating Policies and Procedures;

3.5.2 not to change the accounting policy of the PIDG Trust without the consent of PIDG Ltd;

3.5.3 to retain or cause to be retained until at least 7 (seven) years after PIDG Ltd has received the audit report for the Financial Year in which the last Contribution was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing the expenditures and ensure that such records and accounts are included in the annual audit of the PIDG Trust and to enable any IAfl Owner's representatives to examine such records and accounts of the PIDG Trust;

3.5.4 without limitation to Clause 3.5.3 above, to furnish or cause to be furnished to PIDG Ltd any information reasonably requested by PIDG Ltd and allow representatives of PIDG Ltd and the IAfl Owners the right to audit the books and records of the PIDG Trust provided that the PIDG Trust shall not be obliged to disclose any information which is subject to confidentiality or non-disclosure undertakings in favour of a third party unless the third-party has consented to such disclosure.

4 FUNDING COMMITMENT

4.1 Operating Costs

4.1.1 Subject to the approval of each Annual Budget by PIDG Ltd in

accordance with Clause 9.1(iv), IAfl may request PIDG Ltd to request the disbursement of a Contribution(s) in advance in cash for each Quarter or such other period as an IAfl Owner may agree for IAfl's expected corporate operating costs as set out in such Annual Budget including, but not limited to, its forecast spend on the following financial contractual obligations:

- Management Service Provider(s)' fees and expenses (if any) and/or the costs of any internal management team (the decision to establish an internal management team, i.e. for IAfl to start employing individuals directly, shall require the prior written approval of PIDG Ltd);
- Auditors'/accountants' fees and expenses;
- Regulatory and other charges;
- Legal and other third party advisors (including due diligence costs in respect of any potential IAfl Financing(s));
- Board members' fees and expenses;
- "Directors and Officers" insurance and any other insurances that may be required by IAfl;
- Office rental and utilities; and
- To maintain a GBP1,000,000 contingency (subject to annual review and approval by PIDG Ltd for any reduction or increase in the contingency) (i) for any unexpected costs including additional due diligence or third party costs that may be required and (ii) to cover the operating costs of IAfl for a period of three months should the disbursement of an IAfl Owner's funding be delayed for any reason (such amount being the amount that PIDG Ltd considers necessary to enable IAfl to operate efficiently and to ensure that IAfl can meet its contractual obligations as they fall due, particularly as IAfl has no other sources of funding, except for sale proceeds received from time to time, than the funding from the IAfl Owners).

4.1.2 Such requests for disbursement of a Contribution(s) may be made by IAfl to PIDG Ltd in accordance with the terms and conditions set out in this Clause 4.1 by delivering to PIDG Ltd the documents set out below no less than 40 Business Days before the date proposed by PIDG Ltd for subscription by the PIDG Trust of IAfl Shares in the amount of the Contribution pursuant to the terms of Clause 5 (the “**Share Subscription Date**”) in accordance with the process and timeframe described further in diagram 4.1:

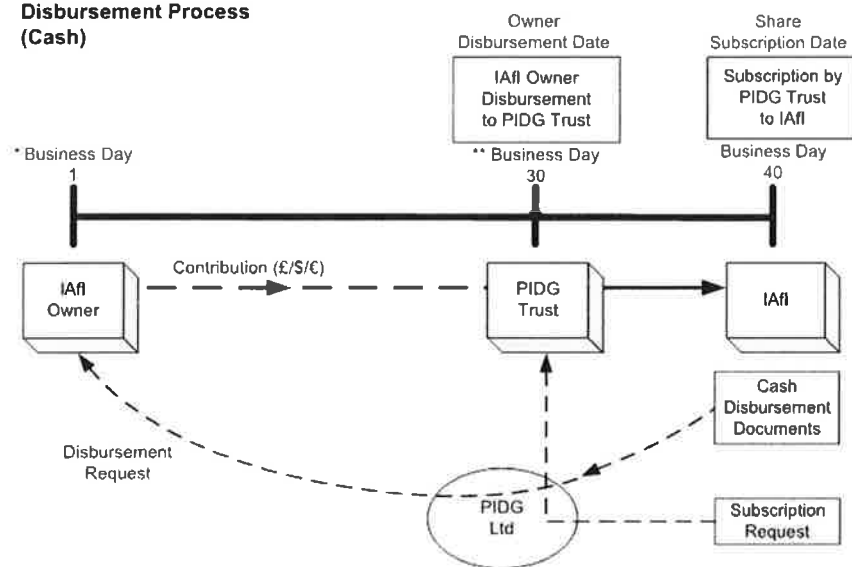
- (i) a draft letter addressed to the PIDG Trust setting out the Need for the amount requested together with (ii) IAfl Management Accounts in respect of the immediately preceding Quarter(s) to the extent they are available or if they are not yet available, the Quarter before that (the “**Needs Letter**”). The Needs Letter shall show how the previous disbursement(s) was/were used and include the following information:
- (ii) a summary of expected sources and uses of funds by Quarter for the remaining Quarters in the current Financial Year and by Financial Year for each Financial Year thereafter (up to the latest Final Owner Disbursement Date in respect of Commitments as set out in Schedule 1 or the latest date of IAfl’s financial contractual obligations or the following three Financial Years, whichever shall be the shorter) which shall include:
 - o funding anticipated from IAfl Owners identifying each IAfl Owner, and whether committed under a Funding Instrument or not (for the avoidance of doubt, funding that is anticipated but has not yet been committed under a Funding Instrument should only be included in IAfl’s Annual Budget and Business Plan once such funding has been committed under a Funding Instrument and included in an amendment to Schedule 1 of this Agreement);

- funding anticipated from other sources;
 - material receipts from any other sources, e.g. asset sales;
 - expected uses of funds including corporate operating costs, fees and expenses payable to the Management Services Provider(s), loan repayments (where relevant) and any other requirements;
 - IAfl's corporate operating costs;
 - IAfl's opening cash balance consistent with the closing cash balance set out in the IAfl Management Accounts for the immediately preceding Quarter; and IAfl's closing cash balance for the end of the period;
- (iii) a record of any funds from previous IAfl Owner cash disbursements to IAfl not committed (by way of contract) or spent by IAfl which shall be deducted from the assessment of Need, if required by the relevant IAfl Owner;
- (iv) the assumptions and risks behind the information provided;
- (v) a copy of IAfl's current pipeline of Projects for the following 12 month period highlighting any new Projects and the current status of the Projects (e.g. whether in due diligence phase, about to start due diligence, anticipated financial close, etc.);
- (vi) a schedule of IAfl's current and estimated future Contingent Termination Payments (if any); and
- (vii) the current status of any Promissory Note(s) that an IAfl Owner has already issued, including whether any amounts are still to be drawn down under any issued Promissory Note(s) and how any amounts drawn down by the PIDG Trust under any issued Promissory Note(s) have been used;
- (viii) a completed Share Subscription Request in form and substance satisfactory to PIDG Ltd,

and upon receipt of the draft Needs Letter, the PIDG Trust Management Accounts in respect of the immediately preceding Quarter(s) and a Disbursement Allocation Record to the IAfl Owners (the Needs Letter, the PIDG Trust Management Accounts and the Disbursement Allocation Record being the “**Cash Disbursement Documents**”) PIDG Ltd shall confirm within 10 Business Days whether it approves the draft Needs Letter (i.e. PIDG Ltd believes IAfl has justified Need).

- 4.1.3 Upon receipt of (i) the Cash Disbursement Documents, and (ii) a Share Subscription Request in form and substance satisfactory to PIDG Ltd, PIDG Ltd will deliver to the IAfl Owners a disbursement request(s) substantially in the form set out in each IAfl Owner's Funding Instrument (a “**Disbursement Request**”), specifying the amount of the Contribution and the Owner Disbursement Date and attaching the approved Cash Disbursement Documents for information.
- 4.1.4 PIDG Ltd will request the relevant IAfl Owner to make a disbursement in cash to the PIDG Trust under Clause 4.1 within 30 Business Days of submission of the Cash Disbursement Documents (i.e. the Owner Disbursement Date) for the purpose of allowing the PIDG Trust to subscribe for IAfl Shares, provided that no disbursement under Clause 4.1 will be made after the Final Owner Disbursement Date.
- 4.1.5 An IAfl Owner has the right under its Funding Instrument to consider whether or not it is willing to make the relevant disbursement available and has the right to not respond favourably to any Disbursement Request if there is insufficient evidence of Need or there is gross negligence, wilful default or fraud on the part of IAfl.

Diagram 4.1
Disbursement Process
(Cash)



* Business Day 1 - the day on which all the Cash Disbursement Documents are submitted to the relevant IAfl Owner for approval

** Business Day 30 - unless agreed in writing between the relevant IAfl Owner and IAfl, the proposed Owner Disbursement Date must be the last Business Day of a calendar month

4.2 Funding of IAfl Financing and Contingent Termination Payments

4.2.1 IAfl may submit a request for a disbursement for (i) the expected amount of an IAfl Financing, (ii) any due diligence costs required for up to four Projects identified by the Board of Directors and set out in IAfl's pipeline of Projects, and/or (iii) Contingent Termination Payments

by submitting, in the first instance, a draft Needs Letter with a Disbursement Allocation Record for PIDG Ltd to approve and to agree

with the IAfl Owners (a) the Agreed Proportions set out in the Disbursement Allocation Record and (b) whether each IAfl Owner will make a disbursement either (A) immediately in cash (which for the avoidance of doubt when received by the PIDG Trust shall be a Contribution); or (B) by way of a Promissory Note(s) substantially in the format set out in Schedule 6 (which for the avoidance of doubt shall not be a Contribution).

4.2.2 **Cash** - Requests for disbursement of a Contribution in cash under Clause 4.2 (which may include requests for disbursement under the DFID Grant Arrangements) may be made by IAfl in accordance with the terms and conditions set out in this Clause 4.2.2 by delivering to PIDG Ltd:

- (i) the Cash Disbursement Documents set out in Clause 4.1.2 for approval by PIDG Ltd and for submission to the IAfl Owners for information; and
- (ii) a completed Share Subscription Request in form and substance satisfactory to PIDG Ltd,

no less than 40 Business Days before the Share Subscription Date in accordance with the process and timeframes described in Diagram 4.1.

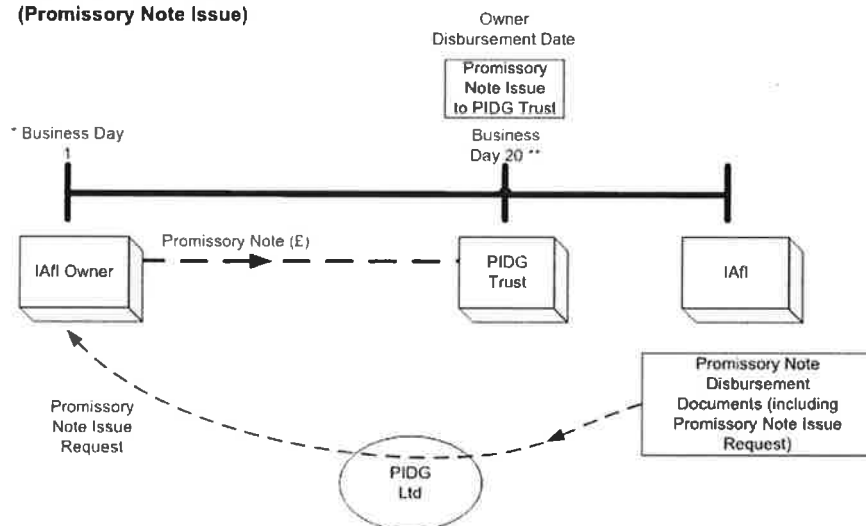
4.2.3 Upon receipt of (i) the Cash Disbursement Documents in form and substance satisfactory to PIDG Ltd, and (ii) the Share Subscription Request, PIDG Ltd will deliver a Disbursement Request to the IAfl Owners specifying the disbursement and the Owner Disbursement Date.

4.2.4 **Promissory Notes** - Requests for disbursements by way of Promissory Note(s) may be made by IAfl and the PIDG Trust in accordance with the terms and conditions set out in this Clause 4.2.4 by delivering to PIDG Ltd the documents set out below (the “**Promissory Note Disbursement Documents**”) in a form satisfactory to PIDG Ltd in accordance with the process and timeframes described further in Diagram 4.2:-

- (i) a Promissory Note Issue Request for the amount requested signed on behalf of the PIDG Trust and IAfl; and
- (ii) a schedule setting out the estimated timing of drawdown of amounts under the Promissory Note; and
- (iii) a Needs Letter.

4.2.5 The IAfl Owners, under the terms and conditions of the relevant Funding Instruments to which they are a party, may issue a Promissory Note to the PIDG Trust within 20 Business Days of receipt of the Promissory Note Issue Request (i.e. the Owner Disbursement Date) except that no Promissory Note will be issued after the Final Owner Disbursement Date and that any IAfl Owner is entitled to consider whether or not it is willing to issue the relevant Promissory Note and shall have the sole and absolute right to not respond favourably to any Promissory Note Issue Request submitted to it by PIDG Ltd. If an IAfl Owner agrees to issue a Promissory Note, PIDG Ltd will confirm this to IAfl and send a copy of the Promissory Note, when available, to IAfl.

Diagram 4.2
Disbursement Process
(Promissory Note Issue)



* Business Day 1 - the day on which all the Disbursement Documents are submitted to IAfl Owner for approval

** Business Day 20 - unless agreed in writing between the IAfl Owner and IAfl, the proposed Owner Disbursement Date must be the last Business Day of a calendar month

4.2.6 IAfl and the PIDG Trust may demand a Contribution under a Promissory Note by delivering a Promissory Note Drawdown Request signed on behalf of the PIDG Trust and IAfl for the amount(s) demanded to PIDG Ltd no less than 40 Business Days before the Share Subscription Date in accordance with the process and timeframe described further in diagram 4.3 below. IAfl and the PIDG Trust will attach the following documents to the Promissory Note Drawdown Request for PIDG Ltd's and the relevant IAfl Owner's information:

- (i) the relevant Disbursement Allocation Record;
- (ii) IAfl Management Accounts for the previous Quarter;
- (iii) confirmation of IAfl's current cash balances and IAfl's current pipeline of Projects, highlighting any new Projects and the current status of all Projects (e.g. whether in due diligence phase, about to start due diligence, anticipated financial close, etc.); and
- (iv) a schedule of IAfl's current and estimated future Contingent Termination Payments (if any);

and upon receipt of the documents requested under this Clause 4.2.6 (the **"Promissory Note Drawdown Documents"**) PIDG Ltd shall forward the Promissory Note Drawdown Documents to the relevant IAfl Owner for information and for disbursement of the amount demanded.

4.2.7 Upon receipt of the Contribution from the relevant IAfl Owner and a completed Share Subscription Request from IAfl in form and substance satisfactory to PIDG Ltd, the PIDG Trust will disburse the Contribution in accordance with the process and timeframe described further in diagram 4.3 below.

4.2.8 If the PIDG Trust does not, for any reason, submit a Promissory Note Drawdown Request to the relevant IAfl Owner within 5 years of the date of issue of the relevant Promissory Note, the PIDG Trust may return the relevant Promissory Note to the relevant IAfl Owner (via PIDG Ltd) and shall confirm in writing to the relevant IAfl Owner that

the Promissory Note is cancelled. If the Promissory Note is not utilised within 5 years of the date of issue of the Promissory Note but the PIDG Trust does not return the Promissory Note to the relevant IAfl Owner and confirm that the Promissory Note is cancelled, the PIDG Trust will confirm in writing to the relevant IAfl Owner (via PIDG Ltd) for their information the reasons for retaining the Promissory Note.

- 4.3 Each of the IAfl Owners has committed, subject to the terms and conditions of the Funding Instrument to which the relevant IAfl Owner is a party, to make any disbursement in cash to the PIDG Trust within 30 Business Days of submission of the Disbursement Request or the Promissory Note Drawdown Request (as the case may be) (i.e. the Owner Disbursement Date) by PIDG Ltd to the relevant IAfl Owner for the purpose of allowing the PIDG Trust to subscribe for IAfl Shares, provided that no disbursement under Clause 4.2.2 will be made after the Final Owner Disbursement Date. Notwithstanding any other provision of this Agreement, any IAfl Owner is entitled to consider whether or not it is willing to make the relevant disbursement available and has the sole and absolute right to not respond favourably to any Disbursement Request (for the avoidance of doubt, this Clause shall not apply to a disbursement in cash under Clause 4.2.6).
- 4.4 IAfl will only enter into a contractual arrangement under which a Contingent Termination Payment will be required to be paid if it has either sufficient cash and/or a Promissory Note in place to enable it to make such Contingent Termination Payment if it should fall due.
- 4.5 In the event that an amount drawn down by IAfl in any Financial Year is less than the total amount set out in the Column headed "PIDG Trust" in Schedule 1 for that Financial Year, any amount remaining for that Financial Year may, only with the prior written consent of the relevant IAfl Owner, be carried over to the following Financial Year (up to the relevant Final Owner Disbursement Dates set out in Schedule 1) and the total Commitment amounts in the respective IAfl Owner's Column and in the Column headed "PIDG Trust" in Schedule 1 shall be amended accordingly.
- 4.6 An IAfl Owner cannot be required to increase its Commitment, but an IAfl Owner

may (in its absolute discretion) agree in writing to make available additional Commitments for any Financial Year in excess of its Commitment for that Financial Year in accordance with the provisions of this Agreement (the amount of any such excess in respect of any IAfi Owner being the “Excess”) and the PIDG Trust may meet requests for a Share Subscription in such Financial Year from IAfi in respect of an amount equal to the aggregate of each such Excess.

4.7 The relevant IAfi Owner will confirm to PIDG Ltd whether its Available Commitment for the immediately following Financial Year should be reduced by an amount equal to the Excess (and to the extent that amount of the Excess is greater than its Available Commitment for the following Financial Year whether its Available Commitment for each succeeding Financial Year should be reduced accordingly) and Schedule 1 will be deemed to have been amended accordingly.

4.8 Notwithstanding the provisions of this Clause 4, each IAfi Owner may (subject to its own policies and procedures), following consultation with the PIDG Trust and PIDG Ltd but in its absolute discretion, adopt the following alternative mechanism for disbursing its annual Commitment to the PIDG Trust. At the start of each Financial Year, or as soon as practicable thereafter, each IAfi Owner may transfer to the PIDG Trust the total amount of its annual Commitment to the PIDG Trust in respect of that relevant year, subject always to confirmation signed by PIDG Ltd that the PIDG Trust will hold all such Commitments on behalf of the relevant IAfi Owner and only be asked to disburse the relevant annual Commitment to IAfi upon fulfilment of and in accordance with the conditions set out in Clauses 4.1 to 4.5 above. In the event that this alternative mechanism for disbursement is adopted by an IAfi Owner, then the interest earned by the PIDG Trust on the relevant Commitment held by the PIDG Trust pending disbursement to IAfi will be transferred to General Administration Costs and should there be a positive balance of such interest at the end of the relevant year, then the contribution of the relevant IAfi Owner to General Administration Costs for the following year shall be adjusted accordingly to take account of such positive balance.

4.9 Subject (i) to the requirements set out in Clause 4.1 to 4.8 above and (ii) to receipt by the PIDG Trust of a P-Note Issue Request from an IAfi Owner substantially in the form attached as Schedule 6 (the “P-Note Issue Request”), an IAfi Owner may

request the PIDG Trust to issue a P-Note in return for a Contribution. For the avoidance of doubt, the PIDG Trust shall not issue a P-Note upon receipt of a Promissory Note, but shall issue a P-Note upon receipt of a disbursement of cash from an IAfl Owner under an issued Promissory Note and subject to receipt of a P-Note Issue Request for the corresponding amount of cash from the IAfl Owner.

4.10 The Parties note that the Commitments of each IAfl Owner are subject to and conditional upon the terms and conditions of their relevant Funding Instrument.

4.11 The Parties note that any IAfl Owner may in its absolute discretion:

4.11.1 reduce the amount of the undisbursed portion of its Commitment (for the avoidance of doubt an IAfl Owner may reduce the undisbursed portion of its Commitment to zero); or

4.11.2 change the amounts and/or timing of the undisbursed portion of its Commitments in Schedule 1,

in either case with effect from 6 (six) months after notifying PIDG Ltd in writing of such a reduction or change. PIDG Ltd will, on being notified in writing thereof, record the additional or reduced funding commitments in updated schedules of commitments that will be circulated by PIDG Ltd on a quarterly basis to all the IAfl Owners and the Parties (if applicable), whereupon Schedule 1 of this Agreement shall be deemed to have been amended accordingly. For the purposes of this Clause 4.11 only, any Promissory Note issued by an IAfl Owner to the PIDG Trust shall constitute a disbursed portion of that IAfl Owner's Commitment.

5 SUBSCRIPTIONS FOR SHARES

5.1 Subject to Clause 5.3, the PIDG Trust agrees to subscribe at GBP£1.00 per IAfl Share for IAfl Shares for a maximum pro-rated subscription price as set out in Schedule 1 (in which case IAfl agrees to allot such IAfl Shares to the PIDG Trust), which shall in no circumstances exceed the figure set out in the Column headed "PIDG Trust" in Schedule 1 to this Agreement in respect of the relevant year (subject to the provisions of Clause 5.13).

5.2 The consideration received by IAfl pursuant to Clause 5.1 shall be used exclusively

by IAfl (i) for the purposes set out in this Agreement and the Funding Instruments and (ii) as working capital in connection therewith in accordance with the relevant Share Subscription Request.

5.3 The obligations of the PIDG Trust in respect of each Share Subscription are conditional on each of the following being fulfilled to PIDG Ltd.'s satisfaction (in both form and content):

5.3.1 there having been no breach by IAfl of:

- a) any of the Warranties given by IAfl hereunder; or
- b) any provision of the Unified Investment Policy, the HSES Policies and Procedures, the PIDG Code of Conduct or the PIDG Operating Policies and Procedures (unless waived or approved in advance in writing by PIDG Ltd);

5.3.2 there having been no breach of any provision of this Agreement, any Management Services Agreement or any of the Funding Instruments and the Share Subscription shall not cause any such breach to occur;

5.3.3 this Agreement and each of the Funding Instruments remains in full force and effect;

5.3.4 receipt by PIDG Ltd of a Needs Letter in accordance with the requirements of clause 4.1.2;

5.3.5 receipt by the PIDG Trust of sufficient funds from the IAfl Owners under the relevant Funding Instruments to subscribe for the IAfl Shares as requested under the relevant Share Subscription Request;

5.3.6 that the Disbursement is in GBP, EUR or US\$ (as applicable) and does not, when aggregated with all of the previous Contributions of the relevant IAfl Owner, exceed the Available Commitments for that IAfl Owner, including any Commitments rolled over under the provisions of Clause 4.5.

5.3.7 receipt by the PIDG Trust of a completed Share Subscription Request

from IAfl (via PIDG Ltd);

5.3.8 the issue of such further IAfl Shares to the PIDG Trust pursuant to the terms hereof being approved (i) by the Board of Directors, and if necessary, (ii) by ordinary resolution of Shareholders on the record as at the date thereof.

- 5.4 PIDG Ltd undertakes to confirm to IAfl in writing when the Conditions specified in Clause 5.3 have been fulfilled to its satisfaction.
- 5.5 PIDG Ltd may waive all or any of the Conditions in whole or in part at any time by notice in writing to IAfl. Any such waiver may be subject to further conditions.
- 5.6 Each of the Parties shall use all reasonable endeavours to assist in the fulfilment of the Conditions.
- 5.7 Subject to satisfaction of the terms and conditions of this Agreement and any Funding Instrument (if applicable), the PIDG Trust shall subscribe for IAfl Shares in order to give effect to the provisions of Clause 4.1 to 4.5 of this Agreement within 10 Business Days of the date on which the Contributions of the IAfl Owner are made available to the PIDG Trust, unless otherwise agreed with the relevant IAfl Owner.
- 5.8 Notwithstanding the provisions of Clause 4, the PIDG Trust shall not be required to subscribe, directly or indirectly, for IAfl Shares in any Financial Year for an amount greater than the total for that Financial Year as set out in the Column headed "PIDG Trust" in Schedule 1 (where relevant, as amended further to Clause 4 or otherwise) without the consent of PIDG Ltd and always subject to the prior receipt by the PIDG Trust of the relevant IAfl Owner's Contributions to the PIDG Trust as set out in their respective Column in Schedule 1, as may be amended from time to time in accordance with the terms of this Agreement.
- 5.9 Subject to Clause 5.3, and in reliance on the warranties and other covenants and undertakings on the part of IAfl as set out in this Agreement, on receipt of a Share Subscription Request signed by IAfl and submitted to it by PIDG Ltd in accordance with Clause 5.11 the PIDG Trust shall, on the relevant Share Subscription Date subscribe at fully paid up nominal value for such number of IAfl Shares as are

- represented by the relevant Share Subscription Amount, (requested in US Dollars, Euros and/or £Sterling, as applicable, in the relevant Share Subscription Request and as calculated and allocated between the relevant currencies in consultation with PIDG Ltd and in accordance with Schedule 1 hereto) provided that the aggregate Share Subscription Amount under this Agreement shall not in any circumstances exceed the maximum subscription price referred to in Clause 5.1.
- 5.10 Following receipt of a Share Subscription Request, IAfl shall allot to the PIDG Trust as soon as possible after the relevant Share Subscription Date such amount of IAfl Shares as result from the conversion of the Share Subscription Amount from the currency specified in the Share Subscription Request to GBP£ sterling as at the Current Exchange Rate on the date of receipt by IAfl of the Share Subscription Amount (if the Share Subscription Amount is not in GBP£ sterling) PROVIDED THAT, subject to Clause 4.5 the sum of all Share Subscription Amounts for Share Subscription Requests issued in any calendar year shall not exceed the amounts listed in Schedule 1 (“the Total Available Commitment”) for such year.
- 5.11 Subject to Clause 4.1, whenever IAfl desires the PIDG Trust to make a Share Subscription IAfl shall deliver to PIDG Ltd a Share Subscription Request appropriately completed to be received by PIDG Ltd not later than 12.00 noon (London time) 15 Business Days prior to the proposed Share Subscription Date. Each Share Subscription Request shall attach copies of any documents required under this Agreement.
- 5.12 Subject to the terms of this Agreement, the PIDG Trust shall on the Share Subscription Date specified in the relevant Share Subscription Request pay the amount requested in full in cash in £Sterling, US Dollars, Euros (as requested in the relevant Share Subscription Request,) to the credit of IAfl at such bank as may be designated in the Share Subscription Request (and cash shall include the electronic transfer of funds).
- 5.13 In the event that the total of all Share Subscription Amounts requested in any calendar year is less than the Total Available Commitment for such calendar year, the Total Available Commitment for the following calendar year shall be increased by such difference, subject to the approval of PIDG Ltd.

5.14 Subject to Clause 5.3, Completion of each Share Subscription shall take place on the Share Subscription Date set out in the relevant Share Subscription Request at such time and place as the Parties shall agree.

5.15 At Completion of each Share Subscription, IAfi shall procure that meetings of the Board of Directors (and, if necessary, of the Shareholders) are held or written resolutions passed at/by which it is resolved that subject to receipt of the subscription moneys by IAfi:

5.15.1 the PIDG Trust shall be allotted the number of IAfi Shares set out in the relevant Share Subscription Request;

5.15.2 the PIDG Trust shall be entered in the register of members of IAfi as the holders of such IAfi Shares allotted to it and share certificates shall be issued accordingly.

5.16 Following Completion of the matters referred to in Clause 5.15:

5.16.1 the PIDG Trust shall pay IAfi in full for the IAfi Shares allotted to it in immediately available funds in accordance with Clause 5.12; and

5.16.2 a certificate for the IAfi Shares allotted shall be delivered to the PIDG Trust.

6 WARRANTIES

6.1 The PIDG Trust, IAfi and PIDG Ltd each warrant to each other, that in each case:

6.1.1 it has the requisite power and authority to enter into and perform this Agreement;

6.1.2 this Agreement constitutes valid and legally binding obligations on it in accordance with its terms;

6.1.3 compliance with the terms of this Agreement does not and will not conflict with or constitute a default under any provision of:

a) any agreement or instrument to which it is a party; or

- b) its constitutional documents; or
- c) any order, judgment, injunction, or as far as it is aware any other restriction of any kind or character by which it is bound.

6.2 IAfl further warrants to the PIDG Trust and PIDG Ltd on the date of this Agreement and on each Share Subscription Date that:

- 6.2.1 it is a company duly incorporated under the laws of England & Wales and has the requisite power and authority to conduct its business as described in Clause 2.1 of this Agreement;
- 6.2.2 the particulars of IAfl set out in Schedule 2 (as amended from time to time with the consent of the PIDG Trust and PIDG Ltd) are correct;
- 6.2.3 except as referred to in this Agreement, the 2018 Reorganisation Agreement or as set out in the IAfl Constitution, no person has any right, contingent or otherwise, to subscribe for or otherwise to acquire any IAfl Shares or other securities of IAfl;
- 6.2.4 neither the entry into this Agreement nor the compliance with its terms will conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which IAfl is a party or by which it is bound, or violate any of the terms or provisions of the IAfl Constitution or any authorisation, judgment, decree or order or any law or other rule or regulation applicable to IAfl;
- 6.2.5 IAfl has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and the transactions contemplated hereby. All authorisations required to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Agreement and to make it admissible in evidence in its jurisdiction of incorporation have been obtained and are in full force and effect;

- 6.2.6 IAfl is not in breach of or in default under any agreement to which it is a party, or which is binding on it or any of its assets, to an extent or in a manner which might result in a Material Adverse Effect;
- 6.2.7 all tax returns and reports of IAfl required by applicable law to be filed have been duly filed and all taxes, obligations, fees and other governmental charges upon IAfl, or its properties, or its income or assets, which are due and payable or to be withheld, have been paid or withheld, other than those presently payable without penalty or interest or with respect to which the failure to pay has not resulted in or may reasonably be expected not to result in a Material Adverse Effect;
- 6.2.8 Except as already notified to PIDG Ltd prior to the date of this Agreement, IAfl is not engaged in nor, to the best of its knowledge after due enquiry, threatened by, any litigation, arbitration or administrative proceedings which, if determined in a manner adverse to IAfl by a final non-appealable judgment or decision of a court, arbitral tribunal or administrative or other body would result in or may reasonably be expected to result in a Material Adverse Effect;
- 6.2.9 to the best of its knowledge and belief after due enquiry, IAfl is not in violation of any applicable law or regulation which has resulted in or may reasonably be expected to result in a Material Adverse Effect;
- 6.2.10 the Accounts of IAfl for the Financial Year immediately preceding the relevant Share Subscription have been prepared with due care and attention, on basis consistent with those adopted in the preparation of previous accounts of IAfl and show with reasonable accuracy the state of affairs and financial position of IAfl.

6.3 Each of the Warranties set out in this Clause 6 is separate and independent.

6.4 In this Clause the following additional definitions and rules of interpretation apply:

6.4.1 “**Claim**” means a claim under the Warranties;

6.4.2 “**Substantiated Claim**” means a Claim in respect of which liability is

admitted by the Party against whom such Claim is brought, or which has been adjudicated upon by an arbitrator(s) or a Court of competent jurisdiction and no right of appeal lies in respect of such adjudication or the parties are debarred by passage of time or otherwise from making appeal.

6.4.3 A Claim is “**connected**” with another Claim or Substantiated Claim if they all arise out of the occurrence of the same event or relate to the same subject matter.

6.5 This Clause limits the liability of each Party in relation to any Claim.

6.6 The liability of each Party for all Substantiated Claims against it, when taken together, will not exceed such sum as has actually been subscribed by the PIDG Trust for IAfl Shares pursuant to this Agreement, and no Party shall be entitled to recover damages or otherwise obtain reimbursement or restitution more than once in respect of the same loss.

6.7 No Party will be liable for a Claim unless:

6.7.1 the amount of a Substantiated Claim, or of a series of connected Substantiated Claims of which that Substantiated Claim is one, exceeds ten thousand pounds sterling (£10,000);

6.7.2 the amount of all Substantiated Claims that are not excluded under Clause 6.7.1 when taken together exceeds fifty thousand pounds sterling (£50,000) in which case, the whole amount (and not just the amount by which the limit in this sub-clause is exceeded) is recoverable.

6.8 No Party is liable for any Claim to the extent that the Claim relates to any matter specifically and fully provided for in the Accounts.

6.9 No Party is liable for a Claim unless the Party making the Claim has given notice in writing of the Claim to the Party against which the Claim is made, specifying in reasonable detail the nature of the Claim and the amount claimed, within the period of (as the case may be) one (1) year beginning with the date of this Agreement or, in

respect of any Warranty given by IAfl to the PIDG Trust and PIDG Ltd pursuant to this Agreement one (1) year beginning with the date of each Share Subscription by the PIDG Trust hereunder.

- 6.10 Nothing in this Clause applies to a Claim that arises or is delayed as a result of dishonesty, fraud or wilful concealment by a Party against whom the Claim is made or by its agents or advisers.

7 PROCEEDS

7.1 If the PIDG Trust receives Proceeds, such Proceeds will be applied by the PIDG Trust as follows:

- (i) *First*, to be paid pro rata and pari passu to each IAfl Owner (at the option of each such IAfl Owner) in repayment of the amount of each such IAfl Owner's Contribution to the PIDG Trust for IAfl (to the extent of such IAfl Owner's Contribution) *plus* such amount of any surplus Proceeds pro rata to the amount of each such IAfl Owner's aggregate Contribution to the PIDG Trust for IAfl. For the avoidance of doubt the distribution of Proceeds to any IAfl Owner who holds a P-Note may constitute a redemption in whole or in part of a P-Note;
- (ii) *Second*, to the extent that any IAfl Owner has elected not to be repaid from the relevant Proceeds under (i) above to be recycled in the PIDG Trust; and
- (iii) *Third*, to the extent that any Proceeds referred to in (ii) above have not been recommitted by the Trustees (in accordance with the provisions of the Declaration of Trust) to the activities of the PIDG Trust within 2 years from the date on which they were received by the PIDG Trust to be paid pro rata and pari passu to each relevant IAfl Owner (or as such IAfl Owner shall otherwise direct) in repayment of the amount of each such IAfl Owner's Contribution to the extent not already repaid in accordance with the provisions of this Agreement.

7.2 The PIDG Trust shall use its best endeavours to (and procure that any necessary third party shall) execute and deliver all such documents and perform such acts as may be required for the purpose of enabling the

repayment of any Contribution (including any redemption of a P-Note) in accordance with the terms of any relevant Funding Instrument including, at any IAfl Owner's request, to liquidate its investment in IAfl (through whatever means) subject always to the consent of each IAfl Owner, where such consent is required in accordance with the PIDG Constitution, and the consent of PIDG Ltd (where required in accordance with the Declaration of Trust and/or the 2018 Reorganisation Agreement).

8 CO-OPERATION

- 8.1 Prior to making each Contribution, the IAfl Owners will (via PIDG Ltd) (i) consult with each other as to whether their respective Funding Instruments remain in full force and effect and whether all applicable conditions precedent to disbursement under their respective Funding Instruments have been met, and (ii) agree the Agreed Proportions for each Disbursement Allocation Record.
- 8.2 If an event of default occurs under the terms of any Funding Instrument or any Funding Instrument is terminated for whatever reason, the IAfl Owner in respect of whose Funding Instrument is terminated or the event of default has occurred will promptly notify the other IAfl Owners in writing of the event of default or termination.
- 8.3 In the case of an event of default under the terms of any Funding Instrument the IAfl Owners, PIDG Ltd and the PIDG Trust will co-operate (for example the IAfl Owners, PIDG Ltd and the PIDG Trust could have a conference call to discuss the event of default and understand the cause of the event of default) and take all reasonable steps to ensure that the event of default is remedied as quickly as possible.
- 8.4 If an IAfl Owner does not meet its funding Commitment or reduces its funding Commitment in accordance with the provisions of Clause 4 and at that relevant time IAfl is not in breach of this Agreement (such unmet Commitment being a “**Missed Commitment**”) and such decision not to meet, or to reduce, its funding Commitment results in IAfl being liquidated, wound up or otherwise to be in breach of any agreements with third parties that cause

it to be unable to meet its financial obligations as they fall due, such IAfl Owner has committed under the terms of the 2018 Reorganisation Agreement to indemnify the Board of Directors for any liability they may incur in respect of a legitimate claim by (i) a Management Services Provider for fees or termination payments in accordance with a Management Services Agreement or (ii) any other third party as a direct result of the Missed Commitment and the IAfl Owners have indemnified the Board of Directors for any such costs arising as a direct result of the Missed Commitment, *pro rata* to their share of the Total Commitments set out in the relevant Columns of Schedule 1 and subject always to a total maximum limit in the case of each IAfl Owner of each IAfl Owner's respective outstanding un-disbursed Commitment. The indemnity does not cover any liability arising from gross negligence, wilful default or fraud on the part of either IAfl or any director of IAfl or any Project Client or any other party involved in a Project (but only if and to the extent that such gross negligence, wilful default or fraud on the part of either IAfl or any director of IAfl or any Project Client or any other party involved in a Project is within the control of IAfl). The Board of Directors (or any director of IAfl) may enforce the relevant Clause of the 2018 Reorganisation Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.

- 8.5 No IAfl Owner can demand or receive payment or repayment of any amount due to it under a Funding Instrument except to the extent available from such IAfl Owner's share of Proceeds except where such IAfl Owner's Contribution has been misused or misappropriated by either (i) PIDG Ltd (ii) the PIDG Trust or (ii) IAfl upon receipt of the Contribution by IAfl or (iv) a Project Client or any other party involved in a Project upon receipt of an IAfl Financing. In this case, payment or repayment of such misused or misappropriated Contribution may exceed the amount available from such IAfl Owner's share of Proceeds but shall be subject to written demand for such payment or repayment by the IAfl Owner and shall be limited to the amount of such IAfl Owner's Contribution. In the case of misuse or misappropriation of an IAfl Owner's Contribution by IAfl, the PIDG Trust and PIDG Ltd shall use their best endeavours to recover such misused or misappropriated Contribution from IAfl. In the case of misuse or

misappropriation by a Project Client or any other party involved in a Project, each of PIDG Ltd and IAfi shall use its best endeavours to recover such misused or misappropriated Contribution from the Project Client or other party involved in the Project. Nothing in this Agreement shall require the PIDG Trust or PIDG Ltd to initiate any legal, enforcement, default or other proceedings of any nature against IAfi or any other person, unless it has first been indemnified by the IAfi Owner to the satisfaction of the PIDG Trust or PIDG Ltd respectively in respect of such steps.

9 REPORTING

9.1 IAfi and the PIDG Trust shall provide the following documentation and information as applicable to PIDG Ltd:

Monthly:

IAfi

- (i) by the 10th of each month either a statement confirming that there are no material changes to the previous cash forecast report submitted under Clause 9.1(ii)(b) or in a Needs Letter, which is most recent, or where there are changes to the previous cash forecast report, an updated cash forecast report in the format required under Clause 9.1(ii)(b);

Quarterly:

IAfi

- (i) within 45 days of the end of each Quarter a quarterly report that shall set out:
 - (a) the IAfi Management Accounts;
 - (b) a cash forecast report providing a summary of expected sources and uses of funds by Quarter for the remaining Quarters in the current Financial Year and by Financial Year for each Financial Year thereafter (up to the last Final Owner Disbursement Date of Commitments set out in Schedule 1 or the latest end date of IAfi's financial contractual obligations or for the next following three Financial Years, whichever period shall be the shorter) which shall include:

- o funding anticipated from IAfl Owners identifying each IAfl Owner and whether committed under a Funding Instrument or not;
- o funding anticipated from other sources (e.g. loan drawings);
- o material receipts from any other sources e.g. asset sales;
- o expected uses of funds including Project pipeline requirements, payment of fees and expenses to Management Services Provider(s), loan repayments (where relevant) and any other requirements;
- o IAfl's corporate operating costs;
- o opening cash balance consistent with the closing cash balance set out in the IAfl Management Accounts for the immediately preceding Quarter; and closing cash balance for the end of the period;
- o a record of any funds from previous IAfl Owner disbursements to IAfl not committed (by way of contract) or spent by IAfl;
- o a copy of IAfl's current pipeline of proposed Projects for the following 12 month period highlighting any new Projects, the current status of the Projects (e.g. whether in due diligence phase, about to start due diligence, anticipated financial close etc.) and including a budget versus actual expenditure report for each Project;
- o a schedule of IAfl's current and estimated future Contingent Termination Payments;
- o the current status of any Promissory Note(s) that any IAfl Owner has issued, including whether any amounts are still to be drawn down under any issued Promissory Note(s), how any amounts drawn down by the PIDG Trust under any issued Promissory Note(s) have been used and any changes to the schedule(s) setting out the estimated timing of drawdown of amounts under the Promissory Note(s) submitted under Clause

4.2.4;

(the format of (a) the IAfl Management Accounts and (b) the cash forecast report on expected sources and uses of funds can be the same as any equivalent accounts or report required by any other IAfl stakeholders to whom IAfl owes a similar reporting obligation (for example, third party lenders));

- (c) the key assumptions and risks behind the information provided under Clause 9.1 (ii)(b) and an update of IAfl's "risk register" including a report on all other material risks for IAfl at that time (including in relation to any Project and/or any IAfl Financing, for example, any material management decision(s) about any impairment or provision in respect of any Project and/or any IAfl Financing, any actual or potential reputational risk for the PIDG and/or IAfl and/or any environmental, health, safety or social risk);
- (d) information, if appropriate, on liquidity management;
- (e) progress reports on the status of the activities of IAfl in such form and detail as PIDG Ltd may reasonably require including an update on progress against Pre-Agreed Targets and results achieved, a summary and status update of IAfl's pipeline of Projects and each investment in IAfl's portfolio, and any special reports relating to Projects of IAfl and/or any IAfl Financing as PIDG Ltd may require;

PIDG Trust

- (ii) within 60 days of the end of each Quarter the PIDG Trust Management Accounts which shall include updated valuations of the ownership interests of the PIDG Trust in each of the PIDG Companies;

Annually:

IAfl

- (a) on or prior to 1 November in each Financial Year, or such other date as may be agreed with PIDG Ltd in order for PIDG Ltd to meet its reporting obligations to the PIDG Owners, a copy of IAfl's Business Plan and Annual Budget, for approval by PIDG Ltd by the earlier of 15

Business Days of receipt and 15 December (or such other date as may be agreed with PIDG Ltd) in each Financial Year;

- (b) within 90 days after the end of each Financial Year, a copy of IAfl's audited financial statements (consolidated if necessary or required) for such Financial Year prepared in accordance with IFRS together with:
 - (i) an audit report thereon signed by IAfl's auditors, and a copy of the auditor's letter to management with a summary of the findings from the audit process; (ii) an annual letter of representation signed on behalf of IAfl, which shall contain an assertion that the information provided to the auditors is accurate and not misleading and that the financial procedures and controls and governance adopted by IAfl are satisfactory; and (iii) a copy of the audit adjustments between IAfl's audited financial statements (consolidated if necessary or required) and the IAfl Management Accounts submitted in such Financial Year, if any. IAfl hereby agrees to arrange for a copy of the audited financial statements (consolidated if necessary or required) to be published on IAfl's website within 40 days of the end of the said 90-day period;
- (c) in-depth lessons learned/policy development reports to be produced and presented by IAfl in accordance with the Pre-Agreed Targets;
- (d) such reasonable support, assistance and written contributions to the PIDG Annual Report as PIDG Ltd may require;

PIDG Trust

- (a) within 180 days after the end of the financial year of the PIDG Trust, the audited financial statements of the PIDG Trust, which shall include updated valuations of each of the PIDG Trust's investments;

Miscellaneous:

IAfl

- (a) as soon as IAfl becomes aware of such event or circumstance, notice of any event or circumstance which may cause or will cause an actual or potential reputational risk for PIDG and/or a change to IAfl's risk register, including any material management decision(s) about any

impairment or provision to be recorded in the IAfl Management Accounts in respect of any Project and/or IAfl Financing, investment or other asset of IAfl;

- (b) reports on the development impact of the Projects and IAfl in accordance with the results monitoring methodology, format and timetable agreed by PIDG Ltd and set out in the PIDG Results Monitoring Handbook, which shall include an annual report on IAfl's performance against the Pre-Agreed Targets;
- (c) case studies in respect of each Project that reaches financial close in the year in which the Project reaches financial close and in respect of each Project Interest that is sold by IAfl in such form and substance as PIDG Ltd may reasonably require from time to time (subject to a maximum of 4 case studies per year);
- (d) the organisation and hosting, in consultation with PIDG Ltd, of at least one "IAfl Awareness Day" (in workshop format) per 4 year period (on date(s) to be agreed with PIDG Ltd) for PIDG Owners and PIDG Companies on such IAfl activity as IAfl and PIDG Ltd may agree, but to include an element of lessons learned and policy development;
- (e) prompt notice of any proposed change in the purpose, nature or scope of the business or operations of IAfl;
- (f) at least 14 days' notice (or such other period of notice as permitted by the IAfl Constitution) of the calling of any meeting of shareholders of IAfl indicating the agenda thereof, and as soon as available thereafter the minutes of such meeting;
- (g) prompt notice of any litigation which is reasonably likely to affect, materially and adversely, IAfl, PIDG Ltd, the PIDG Trust or any PIDG Owner;
- (h) without limitation to the above, any information reasonably requested by the PIDG Trust and/or PIDG Ltd (and it will allow representatives of the PIDG Trust and PIDG Ltd, the right to review the progress of any investment by IAfl (including the audited financial statements of any Project Client) and allow the representatives of PIDG Ltd, the

PIDG Trust and the PIDG Owners the right to audit the books and records of IAfl; and

- (i) such reasonable support and assistance as PIDG Ltd may require when undertaking any mid-term or progress review (or equivalent) of IAfl.

9.2 IAfl shall be obliged (and shall require that any Management Services Provider (if any) shall be obliged (where applicable)): (i) to retain or cause to be retained for at least 7 (seven) years from the date of the creation of the record, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing IAfl's expenditure and ensure that such records and accounts are included in the annual audit of IAfl and enable PIDG Ltd and/or the IAfl Owners' representatives to examine such records and accounts of IAfl; and (ii) without limitation to the above, to furnish or cause to be furnished to PIDG Ltd and the IAfl Owners any information reasonably requested by PIDG Ltd and/or an IAfl Owner and to allow representatives of PIDG Ltd and/or the IAfl Owners on reasonable notice the right to review the progress of any Project by IAfl and allow PIDG Ltd and/or the IAfl Owners the right to audit the books and records of IAfl and any Management Services Provider (where applicable).

9.3 PIDG Ltd undertakes to IAfl that it shall keep confidential all information of a secret or confidential nature received by it relating to IAfl. This Clause 9.3 does not apply to the disclosure of information:

9.3.1 pursuant to the PIDG Disclosure Policy and Procedures (which form a part of the PIDG Operating Policies and Procedures as defined); or

9.3.2 to the extent that such information comes into the public domain (other than through the breach of this Clause 9.3) or as required by law (including the UK Freedom of Information Act 2000) or by any court or any other regulatory body; or

9.3.3 to the other PIDG Companies' officers and employees and their professional advisors provided that any such disclosure is made on the basis that the information is treated as confidential by the recipient and used by him only for the purpose for which it was disclosed; or

9.3.4 to any of the IAfl Owners', PIDG Trust, and/or PIDG Ltd's officers and employees and their professional advisors provided that any such disclosure is made on the basis that the information is treated as confidential by the recipient and used by him only for the purpose for which it was disclosed.

10 TERM

- 10.1 Subject to earlier termination pursuant to Clause 10.2 this Agreement shall continue for a term (the "**Term**") of ten (10) years from the date of this Agreement. PIDG Ltd shall meet with the IAfl Owners at least 6 months prior to the end of the Term to discuss whether or not the IAfl Owners wish to continue the activities of IAfl and, if so, on what terms. If no agreement is reached, then (save to the extent that there are still amounts owing to IAfl in respect of any Project, IAfl Financing or any other asset, which will be dealt with in accordance with Clause 10.3) this Agreement shall automatically terminate on the expiry of the Term whereupon IAfl shall be wound up and any Proceeds distributed in accordance with Clause 7.
- 10.2 PIDG Ltd and the IAfl Owners shall meet at least 6 months prior to the last Final Owner Disbursement Date to discuss whether or not they wish to continue the activities of IAfl and, if so, on what terms. If no agreement is reached between the IAfl Owners within a reasonable period of time then IAfl shall be wound up and any Proceeds distributed in accordance with Clause 7 whereupon this Agreement will be deemed to have terminated.
- 10.3 In the event this Agreement is terminated pursuant to either Clause 10.1 or Clause 10.2 and at the date of termination there are still amounts owing to IAfl in respect of any Project, IAfl Financing or any other investment or asset, then PIDG Ltd and the IAfl Owners will discuss between themselves (without any commitment on the part of the IAfl Owners (or any other Party hereto) to provide further funding to IAfl other than any Winding Up Costs) how such amounts might be repaid or such investments or assets assigned or transferred or otherwise managed by PIDG Ltd. In the event that following such discussions, PIDG Ltd and the IAfl Owners elect to dispose of any, or all of,

the Project Interests, investments or other assets, then the parties will use their reasonable endeavours to liquidate and/or wind up IAfl (including selling or transferring any Project and procuring the settlement of any and all amounts outstanding under any IAfl Financing) and, if necessary, the termination date referred to in Clause 10.1 or Clause 10.2 (as applicable) shall be extended until such time as all such Project Interests, investments and other assets have been assigned, sold or transferred or otherwise managed by PIDG Ltd and to procure the completion of the liquidation and/or winding up of IAfl.

- 10.4 Termination of this Agreement shall not affect the validity of any Promissory Note issued by an IAfl Owner to the PIDG Trust prior to the date of such termination, irrespective of whether any funds have, as at the date of such termination, been drawn down under the relevant Promissory Note pursuant to a Promissory Note Draw Down Request.
- 10.5 The IAfl Owners and the PIDG Trust agree that the maturity date of any P-Note shall be the same as the date of termination of this Agreement and that an IAfl Owner that has received a P-Note from the PIDG Trust in return for a Contribution will only issue a notice to redeem the P-Note on or after the expiry of the Term. Upon being issued with a notice to redeem the P-Note by an IAfl Owner on or after the expiry of the Term, the PIDG Trust shall pay an amount to the IAfl Owner (the "Redemption Amount").
- 10.6 The Redemption Amount shall be the actual net amount received by the PIDG Trust upon the disposal of any IAfl Shares subscribed for by the PIDG Trust using a Contribution for which it has issued a P-Note or upon the winding up of IAfl less any taxes and expenses incurred by the PIDG Trust in connection with the disposal of the relevant IAfl Shares or winding up of IAfl and any mandatory payment to be made in terms of the Insolvency Act 2009 of Mauritius and shall be included in the definition of Proceeds for the purposes of Clause 7.

11 TRANSFERS AND ACCESSION

- 11.1 An IAfl Owner may not transfer its Commitment to another IAfl Owner or a PIDG Owner or another Entity, and the PIDG Trust may not transfer its IAfl Shares (or shares in any Holding Company) unless: (i) the other IAfl Owners and the PIDG Trust have consented in writing to such transfer(s); (ii) the relevant transferee(s) has entered into a Funding Instrument (or the transfer, novation or assignment of a Funding Instrument) in a form acceptable to the other IAfl Owner and any other parties thereto.
- 11.2 Upon a transfer of a Commitment or IAfl Shares (or shares in any Holding Company) or an increase or reduction of a Commitment, or any IAfl Owner ceasing to be a member of the PIDG, or where otherwise agreed by the IAfl Owners, a revised Schedule of Commitments shall be agreed upon in writing by PIDG Ltd whereupon Schedule 1 of this Agreement shall (without requiring any further consent from or action on the part of any Party) be replaced by, and shall be deemed to have been amended accordingly to reflect such revised Schedule of Commitments.

12 GENERAL

- 12.1 Each of the Parties shall, to the extent permitted by law, from time to time do or procure all things as may be required to give effect to this Agreement and to all other agreements referred to in this Agreement, including, without limitation, the execution of all deeds and documents, procuring the convening of all meetings, the giving of all necessary waivers and consents, the passing of all resolutions and otherwise exercising all powers and rights available to them to ensure that the PIDG Trust, PIDG Ltd and any director appointed to the Board of Directors as nominated by any of them (or their alternates) give effect to the terms of this Agreement.
- 12.2 No Party shall make or permit any person connected with it to make any announcement concerning this Agreement or any ancillary matter before, on or after the date of this Agreement except as required by law or any regulatory body without the consent of PIDG Ltd except that nothing in this Agreement shall prevent the publication or disclosure by PIDG Ltd on www.pidg.org (including pursuant to the IATI) or by IAFI on its website (if such a website exists) of all or any of the provisions of this Agreement (including, without limitation, any of the documents annexed hereto or referred to herein).
- 12.3 The Parties shall each bear their own costs and expenses incurred in relation to the preparation, negotiation and execution of this Agreement and all ancillary matters.
- 12.4 This Agreement and the documents referred to in it contain the whole agreement between the Parties relating to the subject matter of this Agreement and supersede all previous agreements between the Parties relating thereto.
- 12.5 This Agreement and any amendment or variation hereto in accordance with Clause 12.6 may be executed in any number of counterparts, all of which taken together shall constitute the whole Agreement.
- 12.6 No amendment or variation of this Agreement or any provision of this Agreement shall be effective unless it is in writing and duly executed by or on behalf of all the Parties.

- 12.7 None of the rights or obligations under this Agreement may be assigned or transferred without the prior written consent of all of the other Parties.
- 12.8 Any Party may release or compromise in whole or in part any liability of any one or more of the other Parties under this Agreement or grant any of them any time or other indulgence, but any such action shall not affect any other liability of such other Parties hereunder.
- 12.9 Nothing in this Agreement shall be deemed to constitute a partnership between the Parties nor constitute any Party the agent of any other Party for any purpose.
- 12.10 The provisions contained in each Clause of this Agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others is invalid; if any provision is void but would be valid if some part of it were deleted, the provision shall be deemed to apply with such modification as may be necessary to make it valid.
- 12.11 The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision hereof, and any illegal, invalid or unenforceable provisions shall, at the request of PIDG Ltd, be, to the extent permitted by applicable law, replaced by other provisions in accordance with the purpose and meaning of this Agreement.
- 12.12 Time is not of the essence in relation to any obligations under this Agreement unless:
- (i) time is expressly stated to be of the essence in relation to that obligation;
 - (ii) one Party fails to perform an obligation by the time specified in this Agreement and the other Parties serve a notice on the defaulting Party requiring it to perform the obligation by a specified time and stating that time is of the essence in relation to that obligation.
- 12.13 The language of this Agreement is English and all notices, demands, requests,

statements, certificates or other documents or communications shall be in English unless otherwise agreed in writing.

12.14 Without prejudice to Clause 8.4, each of the directors for the time being of IAfl and each of the IAfl Owners (the “Relevant Third Parties”) can enforce the terms of any right that is expressly set out in this Agreement for the benefit of the Relevant Third Parties pursuant to the Contracts (Rights of Third Parties) Act 1999 of England and Wales (the “Third Parties Act”). Save for the Relevant Third Parties, no third party shall have any rights pursuant to the Third Parties Act.

12.15 (i) If any provision of this Agreement conflicts with the provisions of the IAfl Constitution then (to the extent permitted by law) this Agreement shall prevail and each of PIDG Ltd, the PIDG Trust and IAfl undertakes forthwith as among themselves to take all reasonable steps to amend, waive or suspend such provisions of the IAfl Constitution that are capable in law of amendment, waiver or suspension to the extent necessary to reflect the provisions of this Agreement;

(ii) if any provision of this Agreement conflicts with the provisions of any Funding Instrument then (to the extent permitted by law) the relevant Funding Instrument shall prevail and each of PIDG Ltd, the PIDG Trust and IAfl undertake forthwith to take all reasonable steps to amend, waive or suspend such provision(s) of this Agreement to the extent necessary to reflect the provisions of the relevant Funding Instrument;

12.16 Except where this Agreement expressly provides to the contrary, obligations, covenants, warranties, representations and undertakings expressed to be undertaken and/or given by two or more persons shall in each case be construed as if expressed to be undertaken and/or given severally and not jointly or jointly and severally.

12.17 No failure to exercise and no delay in exercising, on the part of any Party, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other power or right.

- 12.18 No Party shall be held responsible for any loss or damage or failure to perform any of its obligations hereunder resulting from any legal enactment, the intervention of any public authority, an act of war, a strike (other than of personnel of any of the Parties), a blockade, a boycott, a lockout, or any other similar circumstance.

13 DISPUTES

- 13.1 **Governing Law:** This Agreement and any disputes arising out of or in connection with it or its subject matter (including any non-contractual disputes or claims) (a “**Dispute**”) shall be governed by, and construed in accordance with, the laws of England and Wales.
- 13.2 **Amicable Settlement:** If any Dispute arises between any of the Parties, they shall use all reasonable endeavours to resolve the matter amicably. If one Party gives any other Party notice that a Dispute has arisen and the Parties are unable to resolve such Dispute within thirty (30) days of service of such notice, then such Dispute shall be referred to the respective chairmen or chief executives or equivalents of the Parties in dispute. No Party shall resort to arbitration against any other Party under this Agreement until at least thirty (30) days after such referral. This shall not affect a Party's right, where appropriate, to seek interim relief from a court of competent jurisdiction.
- 13.3 **Arbitration:** All Disputes which are unresolved by the chairmen or chief executives or equivalents pursuant to Clause 13.2, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration (“LCIA”) Rules, which Rules are deemed to be incorporated herein.
- 13.4 **Constitution and Language:** Arbitration under the LCIA Rules shall consist of one arbitrator who shall be either a barrister or a solicitor admitted to practice in England and Wales for at least fifteen (15) years. The Parties to an arbitration under this Agreement shall attempt to agree the arbitrator within twenty (20) days of the commencement of the arbitration. Failing such agreement the sole arbitrator shall be appointed by the LCIA Court. The seat of the arbitration shall always be, and all arbitration proceedings shall be in,

London, England (though if the Parties to an arbitration agree, any arbitration proceeding may be held in such other venue as may be mutually convenient). The language of the arbitration shall be English.

- 13.5 **Appeals:** None of the Parties shall make an application pursuant to Sections 45 or 69 of the Arbitration Act 1996. The decision of the arbitrator shall be final and binding and non-appealable.
- 13.6 **Joinder:** The arbitrator shall have power after the commencement of an arbitration to allow, only on the application of a Party to that arbitration, another Party to this Agreement to be joined in the arbitration as a Party, and thereafter to make a single final award, or separate awards, in respect of all Parties so implicated in the arbitration.
- 13.7 **Aid to Arbitration:** All Parties irrevocably submit to the non-exclusive jurisdiction of the courts of England and Wales to support and assist the arbitration process pursuant to Clause 13.3 including, if necessary, the grant of interlocutory relief pending the outcome of that process.
- 13.8 **Inconvenient Forum:** The Parties hereby irrevocably waive any claim they may now or hereafter have that any proceeding in relation to this Agreement has been brought in an inconvenient forum.

14 NOTICES

- 14.1 All notices or other communications to be given under this Agreement shall be made in writing and by letter or e-mail transmission (save as otherwise stated) and shall be deemed to be duly given or made when delivered (in the case of personal delivery), when despatched (in the case of e-mail transmission,) or ten days after being despatched in the post, postage prepaid, by the quickest mail available and by registered mail if available (in the case of a letter) to such Party at its address or e-mail address specified in Clause 14.2, or at such other address or e-mail address as such Party may hereafter specify for such purpose to the others by notice in writing.
- 14.2 The addresses referred to in Clause 14.1 are:

14.2.1 PIDG Ltd:

6 Bevis Marks

London, England

EC3A 7BA

Tel: +44 (0) 20 3848 6740

E-mail: diane.harris@pidg.org; karen.lynch@pidg.org

FAO: General Counsel, PIDG Ltd

14.2.2 The Trustees of the PIDG Trust:

c/o SG Kleinwort Hambros Trust Company (UK) Limited.

5th Floor

8 St James's Square

London SW1Y 4JU

United Kingdom

Tel: +44 (0)207 597 3065

E-mail: Rachel.iles@sghambros.com

FAO: Rachel Iles

14.2.3 IAfl:

6 Bevis Marks

London, England

EC3A 7BA

Tel: +44 (0) 20 3597 5401

E-mail: IMT@infracoafrica.com

FAO: Chief Executive Officer

- 14.3 A notice or other communication received on a day other than a Business Day, or after business hours, in the place of receipt shall be deemed to be given on the next following Business Day in such place.
- 14.4 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

THIS AGREEMENT has been signed by the Parties or their duly authorised representatives on the date which appears on the first page of this Agreement.

The Trustees of the PIDG Trust acting for and on behalf of the
PIDG Trust

SG Kleinwort Hambros Trust Company (UK) Limited

By: 

Name: RACHEL TIES

Title: DIRECTOR

SG Kleinwort Hambros Trust Company (UK) Limited

By: 

Name: GEORGE RYAN

Title: DIRECTOR

Multiconsult Trustees Ltd

By:

Name:

Title:

Multiconsult Trustees Ltd

By:

Name:

Title:

The Trustees of the PIDG Trust acting for and on behalf of the
PIDG Trust

SG Kleinwort Hambros Trust Company (UK) Limited

By:

Name:

Title:

SG Kleinwort Hambros Trust Company (UK) Limited

By:

Name:

Title:

Multiconsult Trustees Ltd

By:

Name:

Rubina Hossen Ally

Title:

Authorised Signatory

Multiconsult Trustees Ltd

By:

Name:

Rooksana Shahabally

Title:

Authorised Signatory

Minimax Ltd

By:

Name:

Ashraf Rantoola

Title:

Authorised Signatory

Minimax Ltd

By:

Name:

Dourvesh Kumar Chumun

Title:

Authorised Signatory

InfraCo Africa Investment Limited

By:

Name:

Title:

The Private Infrastructure Development Group Limited

By:

Name:

Title:

Minimax Ltd

By:

Name:

Title:

Minimax Ltd

By:

Name:

Title:

InfraCo Africa Investment Limited

By: 

Name: Philippe Valahu

Title: Director

The Private Infrastructure Development Group Limited

By:

Name:

Title:

Minimax Ltd

By:

Name:

Title:

Minimax Ltd

By:

Name:

Title:

InfraCo Africa Investment Limited

By:

Name:

Title:

The Private Infrastructure Development Group Limited

By:



Name:

YUKIHIRO OMURA

Title:

Director of PIDG

SCHEDULE 1
SCHEDULE OF COMMITMENTS
(Cash and Promissory Note)

	I	II	
Owner Financial Year	DFID (to PIDG Trust)	PIDG TRUST (to IAfl)	Totals (Column I or Column II)
Prior to 1 April 2018	£93,679	£93,679	£93,679
1 April 2018 to 31 March 2021	£40,400,000	£40,400,000	£40,400,000
Total	£40,493,679	£40,493,679	£40,493,679
Final Owner Disbursement Date	31.03.2021 (Second DFID Grant Arrangement)		

Note :

- **Column I:** Funds committed by DFID are payable via the PIDG TRUST.
- **Column II:** Subject to receipt by the PIDG Trust of such corresponding funds, such corresponding funds are payable by the PIDG Trust to IAfl (or Holding Company) for subscription for shares in IAfl.
- Disbursements to IAfl made under this Agreement are made in GBP.

SCHEDULE 2

PARTICULARS OF INFRACO AFRICA INVESTMENT LIMITED.

Share Capital:

Class Ordinary shares of £1 each

Issued 1

Shareholders:

Name Number of IAfi Shares: 1

SG Kleinwort Hambros Trust
Company (UK) Limited,
Multiconsult Trustees Ltd. and
Minimax Ltd as trustees of the
Private Infrastructure Development
Group Trust

Directors:

Philippe Valahu (Chair)
Tania Songini
Godfrey Mwindaaire
Jim Cohen
Michael Chilton

Secretary:

Vistra Company Secretaries Limited

Registered office:

6 Bevis Marks
London EC3A 7BA
United Kingdom

Company number: 01952403

Date of incorporation: 29 July 2014

Accounting reference date: 31 December

Auditors: BDO LLP

SCHEDULE 3

PART 1

MATTERS REQUIRING CONSENT OF PIDG LTD

PIDG Ltd and the PIDG Trust agree that they shall exercise all rights available to them to procure that IAfl shall not (and that any subsidiaries of IAfl shall not), undertake any of the items set out in Part 1 of Schedule 3 without the prior written consent of PIDG Ltd (and of the PIDG Trust where the consent of the shareholder of IAfl is required) and PIDG Ltd shall also seek the prior written consent of the IAfl Owners for any items where it is required to do so under the 2018 Reorganisation Agreement:

1. change the IAfl Constitution, unless required by law, in any manner which would be inconsistent with the provisions of this Agreement;
2. save as contemplated by this Agreement, make any variation (including, without limitation, any allotment, conversion, consolidation, subdivision, redemption (if applicable) or reorganisation) in the share capital of IAfl, or create any options or other rights to subscribe for, or to convert into, IAfl Shares or for the purchase or redemption (if applicable) of IAfl Shares;
3. commence any action to wind up or dissolve itself voluntarily;
4. alter its accounting reference date or (except insofar as is necessary to comply with IFRS) material accounting policies and practices or change its auditors;
5. undertake or permit any merger, consolidation or reorganisation of IAfl;
6. implement any other matter which, according to the laws of England and Wales, is required to be decided upon by the shareholders of IAfl;
7. appoint or remove any person as a director of IAfl (including the Chairperson or chief executive officer or equivalent);
8. agree (conditionally or otherwise) to do any of the matters or things set out in this Part 1 of Schedule 3.

PART 2

IAfI undertakes that it shall not (and that any subsidiaries of IAFI shall not) undertake any of the items set out in this Part 2 of Schedule 3 without the prior written consent of PIDG Ltd (and the PIDG Trust where the consent of the PIDG Trust as Shareholder of IAFI is required) and PIDG Ltd shall also seek the prior written consent of the IAFI Owners for any items where it is required to do so under the 2018 Reorganisation Agreement:

1. enter into any transaction with any person other than in the ordinary course of IAFI's business, on the basis of arm's-length arrangements and in accordance with the Unified Investment Policy, the HSES Policies and Procedures, the PIDG Code of Conduct and the PIDG Operating Policies and Procedures;
2. change the Unified Investment Policy unless required by law, in any manner which would be inconsistent with the terms of this Agreement;
3. grant, make or permit to exist guarantees, indemnities, loans or advances to, or deposits with other persons or investments in any person or enterprise, other than in accordance with the Unified Investment Policy, the HSES Policies and Procedures, the PIDG Code of Conduct and the PIDG Operating Policies and Procedures or in the ordinary course of business of IAFI;
4. make any material alteration (including cessation) to the general nature of its business beyond that set out in Clause 2 to this Agreement;
5. enter into any partnership, profit-sharing or royalty agreement or other similar arrangement whereby IAFI's income or profits are, or might be, shared with any other person outside the ordinary course of business;
6. declare or distribute any Proceeds arising in any way from IAFI save as recommended by the IAFI Owners or otherwise set out in this Agreement;
7. other than in the ordinary course of business, sell, transfer, lease, license or in any other way dispose of all or a substantial part of its business, undertaking or assets whether by a single transaction or series of transactions;
8. enter into or terminate any service agreement with a director of IAFI;
9. save to the extent approved as part of IAFI's Business Plan and Annual Budget, incur

any material expenditure or liability of a capital nature in each case in excess of GBP 1,000,000 or the equivalent thereof (including, for this purpose but without limitation, the acquisition of any asset under lease or hire purchase but excluding for the avoidance of doubt the acquisition of any Project Interests by IAfl in accordance with the Business Plan and Annual Budget);

10. borrow any money or obtain any advance or credit in any form other than normal trade credit or other than on normal banking terms for unsecured overdraft facilities or vary the terms and conditions of any borrowings or bank mandates, in each such case where the sum of money involved is in excess of GBP 1,000,000 or the equivalent thereof except that IAfl shall not be required to seek the prior written consent of PIDG Ltd for any money borrowed or any advance or credit obtained by subsidiaries of IAfl from IAfl for Projects, subject to IAfl notifying PIDG Ltd in writing in advance of the relevant IAfl subsidiary's intention to borrow money or obtain an advance or credit from IAfl;
11. pay any remuneration or expenses to any person other than as proper remuneration for work done or services provided or as proper reimbursement for expenses incurred in connection with its business;
12. make any gift or political or charitable donation;
13. commence or settle any legal or arbitration proceedings otherwise than in the ordinary course of its business;
14. create or allow to subsist any encumbrance over any of its assets otherwise than in the ordinary course of business;
15. establish any subsidiary or any other Entity (other than any subsidiary to be established solely for the purposes of investing in any Project);
16. appoint any person as a Management Services Provider of IAfl;
17. following the appointment of any person as a Management Services Provider of IAfl in accordance with the provisions of paragraph 16 above, terminate, amend or grant any waiver in respect of any provision of the resulting Management Services Agreement;
18. agree (conditionally or otherwise) to do any of the matters or things set out in this Part 2 of Schedule 3.

SCHEDULE 4

Funding Instruments

Owner	Funding Instrument	Date	Amount
DFID	* First DFID Grant Agreement	12 March 2012 as amended and restated on 6 June 2014, 10 December 2014 (“Amendment No 1”), 22 July 2015 (“Amendment No 2”), 15 February 2016 (“Amendment No 3”), 13 March 2017 (“Amendment No 4”), and 1 February 2018 (“Amendment No 5”).	£50,000,000 (for IAfl)**
DFID	Second DFID Grant Agreement	4 December 2018	£40,400,000 for IAfl (or such other amount as may be agreed between the parties thereto)

*Where indicated, copies of each of the Funding Instruments are annexed to this Schedule 4.

** Due to the suspension of IAfl’s activities, DFID reduced its commitment under the First DFID Grant Agreement to £34,000,000 by way of Amendment No 4 and to zero by way of Amendment No 5. Notwithstanding this, an amount of £93,679 was provided to IAfl by DFID under a contingency budget line of the First DFID Grant Agreement to maintain IAfl as a company on the UK’s Companies House corporate register.

SCHEDULE 5
FORM OF SHARE SUBSCRIPTION REQUEST

To: PIDG Trust
c/o The Private Infrastructure Development Group Limited
6 Bevis Marks
London
EC3A 7BA
United Kingdom

Date

Dear Sirs

**Share Subscription Request – Agreement between InfraCo Africa Investment Limited,
The Private Infrastructure Development Group Limited and their Shareholder in
relation to the funding and operation of InfraCo Africa Investment Limited dated
[] (the “IAfi Funders Agreement”)**

Terms used in this Share Subscription Request shall have the same meaning given to them in IAfi Funders Agreement unless otherwise defined herein.

[The “Current Exchange Rate” means the relevant rate of exchange for [] to GBP £Pounds Sterling obtained by SG Kleinwort Hambros Bank Limited (as bankers to the PIDG Trust) in the London foreign exchange market on the date and time at which the Share Subscription Amount is disbursed by PIDG Trust to IAfi and communicated in writing by SG Kleinwort Hambros Bank Limited via PIDG Ltd to IAfi (or otherwise as may be agreed in writing between the PIDG Trust and IAfi).

Pursuant to Clause 5 of the IAfl Funders Agreement, we hereby request the following proposed subscription [for][of [] IAfl Shares of [£1.00] in the capital of IAfl:

1. Number of IAfl Shares to be subscribed: [[] IAfl Shares] [such number of IAfl Shares denominated in GBP £Pounds Sterling as result from the application of the Current Exchange Rate to the Share Subscription Amount referred to below and communicated in writing by the PIDG Trust (via PIDG Ltd) to IAfl].

1. Share Subscription Date: []

2. Share Subscription Amount: £ / US\$ []

3. Payment Instructions:

Bank: []

Address: []

A/C Name: []

A/C Number: []

We confirm, warrant and represent that (i)(a) the matters warranted in Clause [6] of the IAfl Funders Agreement and (i)(b) the matters relating to IAfl which the PIDG Trust and PIDG Ltd is obliged to confirm, warrant and represent to [DFID] in relation to the relevant disbursement request(s) under the relevant Funding Instrument are true and accurate at the date of this Share Subscription Request and will be true and accurate as at the Share Subscription Date specified above as if made at such date, and (ii) that the conditions set out in Clause [5.3] of the IAfl Funders Agreement have been duly complied with.

Yours faithfully

For and on behalf of

InfraCo Africa Investment Limited

Authorised Signatory

SCHEDULE 6
FORMAT OF P-NOTE ISSUE REQUEST

To: The Trustees of the PIDG Trust

[address]

Date:

Dear Sirs,

P-Note Issue Request

[insert name of Funding Instrument (the “[Letter of Arrangement]”)

Pursuant to Clause [•] of the [insert name of Funding Instrument] between the Trustees of the PIDG Trust and [insert name of IAfl Owner], we hereby request the issue of a P-Note by [insert date of issue] for the following P-Note Subscription Amount [insert amount] (the “**P-Note Subscription Amount**”), being the amount that [insert name of IAfl Owner] has agreed in writing to disburse to support the activities of IAfl.

The P-Note Subscription Amount will be paid by [insert name of IAfl Owner] to PIDG Trust on the date specified as the Owner Disbursement Date in the Disbursement Request to be issued by PIDG Ltd as per the terms of the IAfl Funders’ Agreement (the “**P-Note Subscription Payment Date**”).

Yours faithfully,

[

Dated: _____ By: _____

[IAfl Owner]

SCHEDULE 7

FORMAT OF P-NOTE

PARTICIPATORY NOTE

PIDG Trust/InfraCo Africa Investment Limited.

[PIDG Trust Reference]

[Amount and Currency]

1. In consideration of the payment of the P-Note Subscription Amount on [insert date] (the “**P-Note Subscription Payment Date**”), the Trustees of the Private Infrastructure Development Group Trust (“**PIDG Trust**”) (the “**Trustees**”), under the [arrangement] between [insert name of IAfl Owner] (“**[defined term for IAfl Owner]**”), The Private Infrastructure Development Group Ltd (“**PIDG Ltd**”) and the Trustees for support for the activities of the PIDG Trust dated [insert date] as amended from time to time (the “**[defined term for the arrangement]**”), in their capacity as Trustees of the PIDG Trust hereby issue to [insert name of IAfl Owner] a Participatory Note (the “**P-Note**”) for [insert amount] as stated in the P-Note Issue Request dated [insert] (the “**P-Note Subscription Amount**”).
2. The P-Note Subscription Amount will be used by the PIDG Trust to subscribe for ordinary shares (or equivalent shares) (the “**Shares**”) in InfraCo Africa Investment Limited (“**IAfl**”), a company incorporated in England & Wales with registration number 01952403, by the PIDG Trust (the “**Investment**”).
3. Upon being issued with a notice to redeem the P-Note by [insert name of IAfl Owner] (the “**Redemption Notice**”) in accordance with the provisions of the funders’ agreement between IAfl, PIDG Ltd and their shareholder in relation to the funding and operation of InfraCo Africa Investment Limited dated [insert] (the “**Funders’ Agreement**”) on or after the expiry of the Term as defined in the Funders’ Agreement (the “**Maturity Date**”), PIDG Trust shall pay an amount to [insert name of IAfl Owner] (the “**Redemption Amount**”) in accordance with paragraph 4.

4. The Redemption Amount shall be the actual net amount received by the PIDG Trust upon the disposal of the Shares or upon the winding up of IAfl less any taxes and expenses incurred by PIDG Trust in connection with the disposal of the Shares and any mandatory payment to be made in terms of the UK Companies Act or Insolvency Act (the “**Received Amount**”). [Insert name of IAfl Owner] and the Trustees agree that the Redemption Amount shall not at any time be greater than the value of the Investment calculated in accordance with fair value accounting procedures consistent with [IFRS] accounting standards as at the Maturity Date, and that the P-Note may only be repaid with the pro-rata share of any Proceeds (as defined in the Funders’ Agreement) payable to [insert name of IAfl Owner] by the PIDG Trust in accordance with the Funders’ Agreement (“[**insert name of IAfl Owner**] **Proceeds**”). Neither the Trustees nor the PIDG Trust shall be obliged to use any other funds to pay the Redemption Amount and it is acknowledged that the PIDG Trust shall only be required to pay the Redemption Amount to the extent it holds sufficient [insert name of IAfl Owner] Proceeds. [Insert name of IAfl Owner] shall have no recourse against InfraCo Africa Investment Limited, the Trustees or any trust assets of the PIDG Trust for any amount other than the Received Amount.
5. If and whenever prior to the Maturity Date, the PIDG Trust receives any Proceeds (as defined in the Funders’ Agreement) in respect of the Investment, the PIDG Trust shall pay a corresponding amount to [insert name of IAfl Owner] in accordance with the terms and conditions of the Funders’ Agreement.
6. The P-Note will not carry any interest other than the Proceeds.
7. The P-Note is transferable at any time by [insert name of IAfl Owner] to any organisation that in [insert name of IAfl Owner]’s reasonable opinion does not have objectives that conflict with [insert name of IAfl Owner]’s objectives by delivering a written request for transfer to the Trustees together with this P-Note and such information on the proposed transfer of the P-Note as the Trustees may require.
8. The Trustees agree not to transfer, sell, charge, or otherwise dispose of the Investment without the consent of [insert name of IAfl Owner].
9. The P-Note is executed and delivered pursuant to the provisions of the “[**defined term for the arrangement**]” and the Funders’ Agreement.
10. This note shall be governed by and construed in accordance with and governed by the laws of Mauritius.

11. THIS NOTE IS LINKED TO THE PERFORMANCE OF THE SHARES SPECIFICALLY CHOSEN BY [INSERT NAME OF IAFI OWNER]. A NUMBER OF EVENTS MAY OCCUR IN RESPECT OF INFRACO AFRICA INVESTMENT LIMITED AND/OR THE SHARES AND/OR THE EXCHANGE INCLUDING WITHOUT LIMITATION, THE INSOLVENCY OF INFRACO AFRICA INVESTMENT LIMITED, NATIONALISATION, DELISTING, MERGER EVENT, A MARKET DISRUPTION EVENT, A CONVERTIBILITY EVENT, A CHANGE IN LAW, A CHANGE IN TAX LAW. BY PURCHASING THIS NOTE [INSERT NAME OF IAFI OWNER] CONFIRMS THAT [INSERT NAME OF IAFI OWNER] IS WILLING TO ASSUME THESE AND ALL OTHER RISKS ASSOCIATED WITH INVESTING IN THIS NOTE. [INSERT NAME OF IAFI OWNER]'S ATTENTION IS DRAWN TO THE FACT THAT [INSERT NAME OF IAFI OWNER] COULD LOSE THE ENTIRE PROCEEDS OF [INSERT NAME OF IAFI OWNER]'S INVESTMENT.
12. THIS NOTE IS A SYNTHETIC INVESTMENT AND DOES NOT PROVIDE [INSERT NAME OF IAFI OWNER] WITH ANY PROPERTY (LEGAL OR EQUITABLE) OR CONTRACTUAL RIGHTS IN OR TO THE SHARES.

Executed for and on behalf of the Trustees of The Private Infrastructure Development Group Trust
by

SG Kleinwort Hambros Trust Company (UK) Limited

By:

Minimax Ltd

By:

Multiconsult Trustees Ltd

By:

•

•

Dated: _____ By: _____

[IAfl Owner]

•

SCHEDULE 8

FORMAT OF PROMISSORY NOTE

PROMISSORY NOTE

PIDG Trust/ InfraCo Africa Investment Limited

[PIDG Trust Reference]

[Amount and Currency]

1. For value received, the [PIDG Owner] ("[]") under the arrangement between [PIDG Owner] and the Trustees of the Private Infrastructure Development Group Trust (the "**PIDG Trust**") and [The Private Infrastructure Development Group Limited] ("**PIDG Ltd**") for financial support for the activities of the PIDG dated [x] as amended from time to time (the "**Letter of Arrangement**"), hereby promises to pay to the PIDG Trust the sum of £[] without interest to be administered and applied for the purposes specified in the Letter of Arrangement.
2. All or any part of the sum shall be paid, upon demand made in writing or by duly authenticated electronic cable or telex to the Bank of England, by credit of the amount so demanded to the account of the PIDG Trust with the depository duly designated by [PIDG Owner] pursuant to the Letter of Arrangement.
3. This Promissory Note is executed and delivered pursuant to the provisions of the Letter of Arrangement.
4. This Promissory Note is non-negotiable.

[PIDG Owner]

Dated: _____ By: _____

Annex 1 to Promissory Note

Format of Promissory Note Drawdown Request

**To: [PIDG Owner]
[address]**

Date:

Dear Sirs

Promissory Note Drawdown Request

Promissory Note dated [] issued by [PIDG Owner] in favour of the Trustees of the PIDG Trust for Financial Support for the Activities of InfraCo Africa Investment Limited (“[PIDG Trust Reference]”)

Pursuant to Promissory Note [*insert PIDG Trust reference*], we hereby demand for disbursement by [*insert disbursement date*]:

- (i) [[*insert amount*] for [*insert purpose for which funds will be used*], which InfraCo Africa Investment Limited has confirmed in writing (see attached letter dated [*insert date*]) meets the criteria set out in the Unified Investment Policy to its reasonable satisfaction;] [and]
- (ii) [*insert amount*] to meet all or part of InfraCo Africa Investment Limited’s liability for Contingent Termination Payments [*as defined in the Funders’ Agreement*]].

We also attach:

- (i) management accounts for InfraCo Africa Investment Limited for the previous Quarter [*as defined in the Funders’ Agreement*];
- (ii) evidence of InfraCo Africa Investment Limited’s current cash balances and InfraCo Africa Investment Limited’s current pipeline of relevant projects, highlighting any new projects and the current status of all projects (e.g. whether in due diligence phase; about to start due diligence; anticipated financial close etc)]; [and]
- (iii) [a schedule of InfraCo Africa Investment Limited’s current and estimated future Contingent Termination Payments].

We confirm that neither the PIDG Trust nor InfraCo Africa Investment Limited holds sufficient available funding to meet the amount of financing required.

Yours faithfully

For and on behalf of SG Kleinwort Hambros Trust Company (UK) Limited

Representing The Private Infrastructure Development Group Trust

By:

Date:

For and on behalf of InfraCo Africa Investment Limited

By:

Date:

SCHEDULE 9

Format of Promissory Note Issue Request

To: [PIDG Owner]
[address]

Date:

Dear Sirs,

Promissory Note Issue Request

Letter of Arrangement dated [x] (as amended from time to time) between [PIDG Owner], PIDG Ltd and the Trustees of the PIDG Trust for Financial Support for the Activities of PIDG (the “Letter of Arrangement”)

Pursuant to paragraph [] of the Letter of Arrangement between the Trustees of the PIDG Trust, PIDG Ltd and yourselves, we hereby request the issue of a Promissory Note by *[insert disbursement date]* for *[insert amount]*, such amount being:

- (i) such amount that *[PIDG Owner]* has agreed in writing to disburse to finance *[insert purpose of Promissory Note]*, for example to finance up to four (4) projects identified by the PIDG Company] and set out in InfraCo Africa Investment Limited’s pipeline of proposed projects/investments for the following 12-month period; [and]
- (ii) [such amount that *[PIDG Owner]* has agreed in writing to disburse for InfraCo Africa Investment Limited’s liability for Contingent Termination Payments] (as defined in the Funders’ Agreement) in the period *[insert]*].

We set out below the current status of any Promissory Note(s) that *[PIDG Owner]* has already issued, including whether any amounts are still to be disbursed under any issued Promissory Note(s) and how any amounts drawn down by the PIDG Trust under any issued Promissory Note(s) have been used. We also attach:

- (i) management accounts for InfraCo Africa Investment Limited for the previous quarter;

- (ii) [evidence of InfraCo Africa Investment Limited's current cash balances and InfraCo Africa Investment Limited's current pipeline of projects, highlighting any new projects/investments and the current status of all projects (e.g. whether in due diligence phase; about to start due diligence; anticipated financial close etc);] [and]
- (iii) [a schedule of InfraCo Africa Investment Limited's current and estimated future Contingent Termination Payments]; and
- (iv) a schedule setting out the anticipated timing for the drawdown of amounts under the Promissory Note.

We confirm that neither the PIDG Trust nor InfraCo Africa Investment Limited holds sufficient available funding to meet the amount of financing requested and that financing for [*insert purpose of funding, for example the 4 projects*] [and] [Contingent Termination Payments] are not covered under an existing Promissory Note issued by [*PIDG Owner*] to the PIDG Trust.

Yours faithfully

For and on behalf of SG Kleinwort Hambros Trust Company (UK) Limited

Representing The Private Infrastructure Development Group Trust

By:

Date:

For and on behalf of InfraCo Africa Investment Limited

By:

Date:

ANNEXURE 1
MEMORANDUM AND ARTICLES OF ASSOCIATION OF IAFI

ANNEXURE 2

GUIDANCE ON PREPARING PIDG COMPANY TREASURY POLICIES

1. Introduction

Treasury policy is a mechanism by which the board or management of a company can delegate fundamental decisions about the business in a controlled manner. Having well thought through and documented treasury policies is critical to the risk management of all businesses and particularly relevant for PIDG companies (the “Companies”) which often have the following characteristics:

- holding large cash balances received from PIDG Owners;
- transacting in multiple currencies;
- involved in the provision of equity and debt financing with uncertain, lumpy disbursement and repayment profiles;
- day-to-day operations outsourced to a third party fund manager/project developer, with varying degrees of delegation; and
- focussed on operations in riskier territories, with less stable economies and less developed financial markets.

This memorandum offers guidance to the Boards of the Companies on how to go about ensuring that each Company has an appropriate treasury policy and considers in the following order: good governance for Boards; the scope of treasury policy; the key risk areas managed by a treasury function; and the importance of adequate controls around treasury dealings.

Where the fund manager or project developer is part of a wider financial institution they will have their own treasury policies and procedures which they should be familiar with. These policies could provide a basis for those to be adopted by the Fund with key differences highlighted.

Appendix I considers in more detail the key risk areas covered by a treasury policy (not exhaustive).

2. Governance

Given the prevalence of outsourced fund managers or project developers (each a “Manager”), good governance needs to be at the foundation of the Companies’ treasury policies.

We anticipate that the Manager would be asked to prepare the relevant treasury policy documentation which would be approved by the Board. The Manager would also be responsible for day to day treasury management, seeking Board approval for transactions outside the Manager’s delegated authority, so would need to understand clearly its responsibilities in this area vs the responsibilities of the Board.

The Board should be fully briefed by the Manager on treasury exposures and risks. These risks would be set out and addressed in a clearly defined and Board approved treasury policy document. The treasury policy should be reviewed and updated periodically (at least annually) as the Company matures or when new developments occur.

It is also customary to establish a treasury reporting committee / ALCO (“asset-liability committee”) on which the Board would have representation, to monitor the effectiveness of treasury policy and deal with treasury related matters.

In order to sign off a treasury policy the Board should be satisfied that:

- they have been fully briefed on and understand the areas in which the Fund has treasury exposures;
- the Fund’s own KPIs (if any) are reflected in the treasury policy;
- they have a clear, comprehensive, Board approved treasury policy;
- the roles and objectives for the treasury function (or ALCO) are clearly defined;
- responsibility and decision making authority on treasury matters is clearly defined as between Manager and Board;
- performance against policy will be reported and can be measured;
- a structured review process is in place, together with external auditing of compliance with treasury policies.

The Board should see treasury policy and management as a dynamic process. As business issues arise and are dealt with, so the Board and Manager will become aware of previously unidentified risks and will need to adapt and develop their treasury policies to match. Regular

treasury or ALCO meetings are an ideal forum for shaping and refining policy.

3. Scope of treasury policy

There is no standard template treasury policy. To date the Association of Corporate Treasurers have not issued such a document since they believe companies need to go through the thought processes themselves to consider and assess what is appropriate for their own circumstances and risk appetite.

The need for bespoke, risk-driven policies is applicable to the PIDG funds where each fund offers different products with their own unique operational and financial characteristics.

Treasury policy should encompass:

- the objectives of the treasury function;
- role of a treasury committee or ALCO (including frequency of meetings);
- treasury structure and organisation;
- a list of responsibilities for each member of staff and segregation of responsibilities;
- a description of the risks to be managed (see 4 below);
- delegation of authority / approval limits;
- permitted hedging instruments;
- bank mandate instructions and banking relationships;
- payment procedures;
- dealing procedures (if relevant)

In practice treasury policies should be written down into a formal document often with a “Mission statement” regarding the role and approach of the treasury function. Many companies split the policy into two or more documents, the first being a high level summary which the Board review and approve annually and the second which sets out a more detailed description of risks and management procedures.

4. Primary risks managed by the treasury function

The treasury function should be primarily responsible for two key, inter-connected areas (see Appendix I for more detail): cash management and financial risk management.

4.1 Cash management:

- liquidity review;
- timely reporting and variance analysis of cash forecasting;
- receipt and payment management;
- bank relationships;
- debt management (covenants, undertakings, maturities, etc.);
- investment management (how surplus funds are invested).

4.2 Financial risk management:

- Interest rate risk (fixed vs floating, payment dates);
- Foreign exchange risk (exposure to different currencies);
- Funding risk (maturity profile of investing/lending, refinancing timetable, etc.);
- Counterparty risk (exposure limits to different counterparties based on credit ratings);
- Operational risk;
- Political / national risk;
- Capital risks (internal matching of investment to capital / financing commitments).

The above list is not intended to be exhaustive. As stated above, each Board and Manager should together consider the risks inherent in their own businesses, set objectives and develop policies accordingly.

In addition to monitoring the business's own risk, treasury policy best practice also considers those risks inherent in the business's customers and suppliers. In terms of the PIDG funds, the treasury policy should consider the Operational risks inherent in the Manager as well as the risks inherent in the underlying investee or borrower businesses including contingent funding requirements.

5. Controls environment and the treasury function

Controls are essential to safeguard the flow of funds from error, fraud or significant market movements, and there are numerous historic examples where inadequate controls have had

significant consequences (e.g. Barings, Northern Rock, et al.). For the implementation of treasury policy to be effective adequate controls and procedures should be in place.

In addition to general governance matters detailed above, treasury related controls should cover three broad areas: i) legal and regulatory; ii) systems and security; and iii) reporting and audit.

5.1 Legal and regulatory:

It is important that all treasury transactions are supported by proper contracts. Standardised ISDA documentation simplifies the time required to enter into treasury transactions and need to be understood properly by staff responsible for this area. Contracts should be reviewed regularly to ensure obligations under the contracts are understood and complied with.

Similarly, to the extent that activities are regulated, regular compliance checks should be conducted and reported.

5.2 Systems and security:

This is a wide-ranging area, and controls required will depend upon the level of delegated authority in the Manager.

Controls include: background checks on staff recruited and with authority to enter into treasury transactions; ensuring staff take annual leave; suitable training programmes for treasury staff; segregation of duties (one person should not be able to deal, authorise and account for the same transaction, although segregation should acknowledge the often small size of teams of used by Managers); bank mandates regularly reviewed and updated; password protected computer systems; tested disaster recovery plans, etc.

5.3 Reporting and auditing:

We have discussed the benefits of a treasury sub-committee or ALCO which can meet regularly to consider treasury risks. Typically this committee would be presented with a report on the interest rate/foreign exchange risk positions, liquidity, cash flow, breaches of policy and any other matters relevant.

Internal audit of the treasury function is probably impractical in the context of the Companies. However, using the external auditors to review compliance with treasury policy controls and procedures as part of the annual or semi-annual audit process is recommended.

Appendix I – Detailed treasury policies

Key area	Policy subject	Rationale	Policy should cover:
Cash management	Liquidity review	To ensure sufficiency of day to day liquidity	<ul style="list-style-type: none"> • Objectives of the policy • Description of the Fund's cash position • List of bank accounts in operation • Description of any netting arrangements • List of permitted banks •
	Timely reporting and variance analysis of cash forecasts	To ensure management of longer term cash position and accurate forecasting	<ul style="list-style-type: none"> • Objectives of the policy • Identify periods susceptible to uncertainty or where cash position is at risk • Identify periods where cash surpluses are being generated • Procedures for reporting and dealing with significant future cash items
	Receipt and payment management	To ensure large “lumpy” payments and receipts are managed effectively	<ul style="list-style-type: none"> • Objectives • Identify key receipts and payments • Identify actions to be taken to manage cash flow efficiently

Bank relationships (if applicable)	Good banking relationships (if applicable) are essential for any treasury function and need to be managed. Generally, the more attention given to the banks the less demands are made by the banks, and vice versa	<ul style="list-style-type: none"> • Objectives • Structure of the banking group; inter-relation of banking groups • Criteria for choice of bank • Credit rating
Debt management (if applicable)	To ensure transactions undertaken are in compliance with banking documents, and to ensure potential non-compliance with covenants is identified in advance to avoid crisis	<ul style="list-style-type: none"> • Objectives • Identify key requirements of each loan agreement • Monitor compliance against these requirements • Procedures for reporting and dealing with any potential or actual non-compliance
Investment management	To maximise the benefits of core surplus funds	<ul style="list-style-type: none"> • Objectives • A description of how the funds arise and how long they will be available for • Authorised list of instruments and counterparties • A summary of counterparty exposure / risk • A procedure for determining how best to invest surplus funds •

Appendix – Detailed treasury policies (continued)

Key area	Policy subject	Rationale	Policy should cover:
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Financial risk management	Interest rate risk	<p>Ensuring risk of increased interest expense (or reduced interest income) due to changes in market interest rates. The policy will seek to place limitations on the period over which interest rates on debt are exposed</p>	<ul style="list-style-type: none"> • Objectives • Method of hedging • Limits / targets for exposure (i.e. unhedged positions) • Procedures for breach of limits • List of authorised instruments • Approval procedures
	Foreign exchange risk	<p>Foreign exchange risk falls into two key areas: transaction exposure and balance sheet exposure. Policies should be adopted for each area</p>	<ul style="list-style-type: none"> • Objectives • Method of hedging • Limits / targets for exposure (i.e. unhedged positions) • Procedures for breach of limits • List of authorised instruments • Approval procedures
	Funding risk	<p>This policy will seek to determine the strategy for long-term funding of the Fund</p>	<ul style="list-style-type: none"> • Objectives • Limits and targets for committed funding • Limits and target for different sources of funding (e.g. bank vs equity) • Assessment of repayment profiles, and identification of periods where headroom may be limited
	Counterparty risk	<p>This policy should define how counterparty risk (i.e. risk of counterparty failure resulting in financial loss) is measured and counterparties are selected</p>	<ul style="list-style-type: none"> • Objectives • Limits for each counterparty and criteria (e.g. by reference to credit rating) • Monitoring of exposures • Approval procedures for changing the limits • Procedures in the event of a change in risk of a counterparty
	Concentration / correlation risk	<p>This policy should define how concentration/correlation risk (i.e. risk of geographic, industry) is measured and how</p>	<ul style="list-style-type: none"> • Objectives • Monitor total exposures

<p>much is acceptable given the objectives of the Fund</p>		
<p>Political / national risk</p> <p>This policy should assess the financial risk associated with investments made to particular jurisdictions, and would work in conjunction with the Fund investment policy</p>	<ul style="list-style-type: none"> • Agree to retain or hedge exposure • Objectives • Limits for each jurisdiction criteria • Monitoring of exposures • Monitoring of individual investments in high risk jurisdictions • Procedures in the event of a change in risk of a counterparty 	
<p>Capital management</p> <p>Given the reliance upon capital commitments from owners, this policy is intended to ensure that commitments are monitored and followed up so that outgoing financial commitments are matched by incoming commitments</p>	<ul style="list-style-type: none"> • Objectives • List of current equity capital commitments, funded vs committed • Procedures required to ensure unfunded commitments are followed up, and owner procedures for releasing capital are understood 	