

**GREEN AFRICA POWER LLP
FUNDERS' AGREEMENT**

**AN AGREEMENT BETWEEN GREEN AFRICA POWER LLP AND ITS FUNDERS
AND MEMBERS IN RELATION TO THE FUNDING AND OPERATION OF
GREEN AFRICA POWER LLP**

This agreement dated the day of 2014 between Green Africa Power LLP and its funders and members (the "Agreement") is made between:

1. The Secretary of State for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development ("**DFID**"); and
2. The Secretary of State for Energy and Climate Change of the Government of the United Kingdom of Great Britain and Northern Ireland, acting through the Department of Energy and Climate Change ("**DECC**").

(each of the above Parties being a "**GAP Donor**", and together with any Additional GAP Donors (as defined in Clause 1 of this Agreement), the "**GAP Donors**");

3. SG Hambros Trust Company Ltd. of Norfolk House, 31 St James's Square, London SW1Y 4JR, United Kingdom ("**SG Hambros**");
4. Multiconsult Trustees Ltd. of Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius ("**Multiconsult**"); and
5. Minimax Ltd. of Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius ("**Minimax**");

each of SG Hambros, Multiconsult and Minimax acting as trustees of the Private Infrastructure Development Group Trust (hereinafter referred to as the "**PIDG Trust**"); and

6. Green Africa Power LLP a limited liability partnership incorporated in accordance with the Limited Liability Partnership Act 2000 of England, Wales and Scotland with registration number OC383990 having its registered office at Norfolk House, 31 St James's Square, London SW1Y 4JR, United Kingdom ("**GAP LLP**").

WHEREAS:

- (A) On 1 December 2001 SG Hambros, Multiconsult (formerly known as MC Trust Ltd) and Minimax executed a declaration of trust for the establishment of the PIDG Trust, a purpose trust under Mauritian law, as amended by an Amended and Restated Declaration of Trust dated 14th March 2003, (the "**Declaration of Trust**").
- (B) 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, the Swedish Government, acting through the

Swedish International Development Cooperation Agency (“**Sida**”), The Government of The Netherlands represented by the Directorate for Sustainable Economic Development – The Netherlands Minister for Development Co-operation (“**DGIS**”) and The Government of the Swiss Confederation, acting through the State Secretariat for Economic Affairs (“**SECO**”) established the Private Infrastructure Development Group (the “**PIDG**”) to provide a strategic approach to developing financing for private infrastructure investment.

- (C) 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 20th November 2007 in relation to the Original Memorandum of Understanding, Irish Aid became a member of the PIDG. 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.
- (D) 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 PIDG Constitution as set out in an Amended Memorandum of Understanding dated 10 October 2013 (the “**Memorandum of Understanding**”) and an Amended PIDG Constitution 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-Australian Aid Program (“**DFAT**”) signed the Memorandum of Understanding and became a member of the PIDG. By an Accession Letter dated on or about the date hereof 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 (“**Norway**”), became a member of the PIDG.
- (E) On 20 December 2012 DECC and the PIDG Trust entered into a letter of arrangement (the “**DECC Grant Arrangement**”) whereby DECC agreed to provide a grant of up to an aggregate of £25,000,000 (the “**DECC Grant**”) for the purposes of enabling the PIDG Trust to establish and support GAP LLP, and constituting a commitment of climate finance by the UK Government pursuant to the International Climate Fund.
- (F) On 4 April 2013 the Trustees of the PIDG Trust established GAP LLP, a limited liability partnership under the laws of England, for the purpose of investing in renewable energy projects in sub-Saharan Africa and to demonstrate the viability of renewable energy in sub-Saharan Africa.
- (G) On 16 December 2013 DFID and the PIDG Trust entered into a letter of arrangement (the First DFID Grant Arrangement) whereby DFID agreed to provide a grant of up to an aggregate of £1,700,000 (the “**First DFID Grant**”) for the purposes of enabling the PIDG Trust to support GAP LLP.

- (H) On or about the date hereof DFID and the PIDG Trust entered into a letter of arrangement (the Second DFID Grant Arrangement) whereby DFID agreed to provide a grant of up to an aggregate of £68,300,000 (the “**Second DFID Grant**”) for the purposes of enabling the PIDG Trust to support GAP LLP.
- (I) On or about the date hereof DFID and the PIDG Trust intend to enter into a letter of arrangement (the Third DFID Grant Arrangement) whereby DFID will agree to provide a grant of up to an aggregate of £3,000,000 to the PIDG Trust (the “**Third DFID Grant**”) for the monitoring and evaluation of GAP LLP.
- (J) The DECC Grant, the First DFID Grant, the Second DFID Grant and the Third DFID Grant constitute commitments of climate finance by the UK Government pursuant to the International Climate Fund.
- (K) A list of the Funding Instruments entered into by each GAP Donor in respect of GAP LLP as at the date of this Agreement together with corresponding Subscription Agreements is set out in Schedule 5 (Funding Instruments).
- (L) As at the date of this Agreement a total of £2,200,000 has been subscribed to GAP LLP by the Members by way of Capital Contributions.
- (M) 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 GAP Donor and the PIDG Trust set out the terms upon which each GAP Donor makes funds available to the PIDG Trust for GAP LLP. The purpose of this Agreement is to record the GAP Donors’ funding commitments to the PIDG Trust in respect of GAP LLP; to regulate the allocation between the GAP Donors of the disbursement of Commitments; to regulate the allocation of any Proceeds of the PIDG Trust’s investments in GAP LLP, and to regulate arrangements between the GAP Donors in respect of the monitoring and management of the PIDG Trust’s investment in GAP LLP.

1. DEFINITIONS

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

“Additional GAP Donor” means any PIDG Donor (and subject to the approval of the PIDG Donors, any other donor) who becomes a party to this Agreement by signing a letter of accession pursuant to Clause 10 of this Agreement;

“Amended and Restated GAP LLP Agreement” means the amended and restated limited liability partnership agreement relating to GAP LLP entered into by the Members and GAP LLP dated on or about the date hereof as amended from time to time. A copy of the Amended and Restated GAP LLP Agreement is attached as Annexure 1;

“Available Commitment” means the amount of each GAP Donor’s Commitment in any Financial Year, less any Contributions by that GAP Donor in that Financial Year;

“Board”	has the meaning given to it in clause 5 of the Amended and Restated GAP LLP Agreement;
“Board Member”	has the meaning given to it in clause 5 of the Amended and Restated GAP LLP Agreement;
“Board Member Service Contract(s)”	means the service contract(s) for Board Members entered into between GAP LLP and each of the Board Members;
“Business Day”	means a day (other than a Saturday or a Sunday) on which banks are generally open for normal business in London and Oslo;
“Business Plan and Budget”	means the five year business plan and annual logframe and detailed budget for the following Financial Year (the latter prepared in accordance with IFRS) for GAP LLP approved by the Board and sent to the GAP Donors via the PIDG Trust in accordance with the provisions of Clause 8.1 (v);
“Capital Contributions”	means capital contributions in and to GAP LLP, as set out in and governed by the Amended and Restated GAP LLP Agreement;
“Cash Disbursement Documents”	has the meaning given to it in Clause 4.1.2;
“Commitment”	means each GAP Donors’ commitment as set out in Schedule 1 to this Agreement (Schedule of Commitments) to enable GAP LLP to fulfil its purpose;
“Contingent Termination Payments”	means any termination or other payment that GAP LLP would be required to pay as a result of GAP LLP terminating any Management Services Agreement and any other contract as a result of a GAP Donor’s decision to amend, reduce or terminate funding under a Funding Instrument;
“Contribution”	means the amount of each cash disbursement made from time to time for the support of GAP LLP by each GAP Donor to the PIDG Trust pursuant to this Agreement and the relevant Funding Instrument (for the avoidance of doubt the issue of a Promissory Note shall not be a Contribution);
“DECC Grant Arrangement”	means the grant arrangement entered into between DECC and the PIDG Trust dated 20 December 2012 for a grant of up to £25,000,000;
“DFID Grant Arrangements”	means the First DFID Grant Arrangement, the Second DFID Grant Arrangement and the Third DFID Grant Arrangement;

“Disbursement Allocation Record”	means the written record of the GAP Donors prepared by the PIDG PMU confirming how the GAP Donors 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 GAP Donors, subject to the terms and conditions of their Funding Instruments, will fund each disbursement on a pro-rata basis in accordance with each GAP Donor’s Available Commitment in any financial year; (ii) the provisions of Schedule 1 (Schedule of Commitments); (iii) that until such time as the DECC Grant has been fully disbursed or ring-fenced and/or the DFID Grant Arrangement expires or is terminated in accordance with its terms and conditions, DFID and DECC, unless they agree otherwise, will fund the DFID and DECC portion on a 50:50 basis; (iv) that DFID is obliged to disburse any amount demanded under a Promissory Note issued by DFID in accordance with Clause 4.2.4; and (v) that DECC is obliged to disburse any amount demanded under the DECC Promissory Note (as defined in Clause 4.2.7), subject to the terms and conditions of the DECC Grant Arrangement;
“Disbursement Request”	has the meaning given to it in Clause 4.1.3;
“Dispute”	has the meaning given to it in Clause 12.1;
“Donor Disbursement Date”	means the date on which a GAP Donor shall disburse its Contribution or Promissory Note (as applicable) to the PIDG Trust in accordance with Clause 4;
“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 an individual;
“Final Donor Disbursement Date”	means in relation to each Funding Instrument the last date by which a Disbursement Request may be presented to the relevant GAP Donor pursuant to its Funding Instrument (and as noted in Schedule 1);
“Financial Year”	means 1 January to 31 December in each year (or such other period as may be approved by GAP LLP with the prior written consent of the GAP Donors);
“First DFID Grant Arrangement”	means the grant arrangement entered into between DFID and the PIDG Trust dated 16 December 2013 for a grant of up to £1,700,000 for support to GAP LLP;

“Funding Instrument”	means the funding instruments listed in Schedule 5 and any other grant, Loan or other instrument related to the funding of GAP LLP entered into hereafter between inter alia, a GAP Donor and the PIDG Trust and/or GAP LLP;
“GAP Financing”	means a financial instrument provided by GAP LLP in accordance with the GAP Investment Policy to a Project Client in connection with a Project;
“GAP Investment Policy”	means the investment policy of GAP in the form approved in writing by the GAP Donors and adopted by Unanimous Board Consent on 1 May 2014 in accordance with (and as defined in) the Amended and Restated GAP LLP Agreement as amended from time to time;
“GAP LLP Management Accounts”	means the management accounts of GAP LLP for the relevant Quarter which shall include as a minimum a balance sheet and profit and loss account (or equivalent) providing financial performance information for the relevant Quarter and appropriate comparable preceding periods including valuations (updated for the relevant Quarter) of each GAP LLP investment, based on a valuation methodology which is consistent with that applied in GAP LLP’s audited financial statements referred to in clause 8.1(vi) below and also including, if appropriate, information on liquidity management;
“General Administration Costs”	has the meaning given to it in the PIDG Constitution;
“Governing Council”	has the meaning given to it in the PIDG Constitution;
“IFRS”	means the International Financial Reporting Standards issued by the International Accounting Standards Board, as amended from time to time;
“Loan”	means a loan made available to GAP LLP by a GAP Donor via the PIDG Trust or as otherwise may be agreed by the GAP Donors pursuant to each Loan Agreement;
“Loan Agreement”	means any agreement in respect of a Loan;
“Management Services Agreement”	means each agreement entered into between GAP LLP and a Management Services Provider for the provision of management services, as amended, superseded or replaced from time to time;
“Management Services Provider”	means each management services provider of GAP LLP from time to time as appointed by GAP LLP pursuant to a Management Services Agreement and to which appointment the GAP Donors have not objected. The first Management

Services Provider of GAP LLP is EISER Infrastructure Partners LLP;

- “Members”** means the members of GAP LLP from time to time (which at the date hereof consist of each of the Trustees of the PIDG Trust) and the word “Membership” shall be construed accordingly;
- “Needs”** means (i) the commercial requirements of GAP LLP to maintain a stable and commercially sound business model and (ii) GAP LLP's expected corporate operating costs (over the following 3 months or such other period as a GAP Donor may agree to fund) as set out in Clause 4.1.1;
- “Needs Letter”** has the meaning given to it in Clause 4.1.2;
- “Operator”** means an operator duly regulated by the UK’s Financial Conduct Authority, appointed by GAP LLP pursuant to an Operator Services Agreement;
- “Operator Services Agreement”** means an agreement entered into between GAP LLP and an Operator for the provision of operator services in respect of a collective investment scheme, as amended, superseded or replaced from time to time;
- “PIDG Code of Conduct”** means the code of conduct approved by the PIDG from time to time and which all PIDG Facilities are required to adopt and incorporate into their governance documents as a minimum standard of conduct;
- “PIDG Donor”** means any donor (as defined in the PIDG Constitution) who is or becomes a member of PIDG;
- “PIDG Facility”** means a facility of the PIDG including, but not limited to, the corporate entities owned by the PIDG Trust including GAP LLP;
- “PIDG Operating Policies and Procedures”** means the operating policies and procedures approved by the PIDG Donors from time to time (or equivalent policies and procedures) and which the PIDG Donors require all PIDG Facilities to adopt and incorporate into their governance documents as a minimum standard including the PIDG Procurement Policy and Procedures, 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 Travel and Expense Reimbursement Policy and Procedures, the PIDG Conflict of Interest and Share Dealing Policy and Procedures, the PIDG Remuneration Policy and Procedures, the PIDG Complaints Policy and Procedures and the PIDG Risk Management Policy and Procedures;

- “PIDG PMU”** means the PIDG programme management unit service provider appointed from time to time by the PIDG Trust with the approval of the PIDG Donors for the provision of certain services to the PIDG Donors and the PIDG Trust;
- “PIDG Results Monitoring Handbook”** means the results monitoring handbook of the PIDG approved by the PIDG Donors (as at the date of this Agreement the most recent revision date being September 2013) as amended from time;
- “PIDG Trust/GAP LLP Loan Conversion and Subscription Agreement (No. 3)”** means the loan conversion and subscription agreement dated 28 February 2014 between PIDG Trust and GAP LLP by which the PIDG Trust converted its loan of £335,897.60 recorded in the PIDG Trust/GAP LLP Loan Agreement dated 24 December 2013 into a Capital Contribution to GAP LLP;
- “PIDG Trust/GAP LLP Subscription Agreement (No. 1)”** means the subscription agreement dated 25 November 2013 between PIDG Trust and GAP LLP by which PIDG Trust agreed to subscribe GBP 500,000 (less any sums paid by the Trustees of the PIDG Trust to or on behalf of GAP LLP as recorded in the PIDG Trust/GAP LLP Account attached at Annexure A thereto) by way of Capital Contribution to GAP LLP (i.e. a total Capital Contribution of £164,102.40);
- “PIDG Trust/GAP LLP Subscription Agreement (No. 2)”** means the subscription agreement dated 17 December 2013 between PIDG Trust and GAP LLP by which PIDG Trust agreed to subscribe GBP 1,700,000 by way of Capital Contribution to GAP LLP using funding provided by DFID;
- “PIDG Trust/GAP LLP Subscription Agreement (No. 4)”** means the subscription agreement dated on or about the date hereof between PIDG Trust and GAP LLP by which PIDG Trust agreed to subscribe GBP 92,800,000 by way of Capital Contributions to GAP LLP using funding provided by DFID and DECC;
- “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(vii) below;
- “PIDG Trust Subscription Date”** has the meaning given to it in Clause 4.1.2;
- “Proceeds”** means any distribution of profits in accordance with the provisions of the Amended and Restated GAP LLP Agreement or interest, loan repayment or other monies received by the PIDG Trust, directly or indirectly from GAP

LLP in respect of the Capital Contributions or any Subscription Agreement and all other proceeds in respect of or derived from such Capital Contributions or the Subscription Agreements and any monies to be received by the PIDG Trust or GAP Donors in connection with any sale, liquidation, dissolution or winding up or similar action with respect to GAP LLP (and in each and every case referred to above, net of all actual and contingent liabilities, as reflected in the books of accounts of GAP LLP, and net of all taxes and withholdings);

- “Project”** means any actual or potential renewable energy project, company or asset which is or may be (as applicable) supported by GAP LLP by way of a GAP Financing in accordance with the GAP Investment Policy;
- “Project Client”** means any company, body corporate, partnership or other Entity to or in which GAP LLP has provided or may provide (as applicable) a GAP Financing;
- “Promissory Note”** means a promissory note issued by a GAP Donor to the PIDG Trust for the support of GAP LLP;
- “Promissory Note Issue Request”** has the meaning given to it in the Second DFID Grant Arrangement;
- “Promissory Note Drawdown Request”** means the promissory note drawdown request in the format set out in Schedule 6 (Format of Promissory Note Drawdown Request);
- “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 Clauses 4 and/or 10;
- “Second DFID Grant Arrangement”** means the grant arrangement entered into between DFID and the PIDG Trust on or about the date hereof for a grant of up to £68,300,000 for support to GAP LLP;
- “Subscription Agreement”** means each agreement for the subscription for Capital Contributions entered into from time to time between the PIDG Trust and GAP LLP including (without limitation) the PIDG Trust / GAP LLP Subscription Agreement (No.1), the PIDG Trust / GAP LLP Subscription Agreement (No.2), the PIDG Trust/GAP LLP Loan Conversion and Subscription Agreement (No. 3) and the PIDG Trust / GAP LLP Subscription Agreement (No.4) as set out in Schedule 5 (Funding Instruments) and any other agreement for the

	subscription for Capital Contributions entered into from time to time between the PIDG Trust and GAP LLP;
“Subscription Request”	means a subscription request prepared in accordance with the provisions of the relevant Subscription Agreement;
“Term”	has the meaning given to it in Clause 9.1;
“Third DFID Grant Arrangement”	means the grant arrangement entered into between DFID and the PIDG Trust on or about the date hereof for a grant of up to £3,000,000 for the monitoring and evaluation of GAP LLP;
“Trustees”	means the trustees of the PIDG Trust from time to time. At the date of this Agreement the Trustees are SG Hambros Trust Company Ltd, Multiconsult Trustees Ltd (formerly known as MC Trust Ltd) and Minimax Ltd.

- 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 legal Entity, wherever and however incorporated or established.
- 1.5. A company is a “subsidiary” of another company, its “holding company”, if that other company:
 - (i) holds a majority of the voting rights in it; or
 - (ii) is a member of it and has the right to appoint or remove a majority of its board of directors; or
 - (iii) 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 or Entity including, 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, references to “NOK” are to the lawful currency from time to time of Norway 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 Annexes to Schedule 5 shall not form part of this Agreement.
- 1.14. References to (i) a “Party” is to a party to this Agreement and the “Parties” is to all the parties or any two or more 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)” 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 GAP LLP

- 2.1. GAP Donors declare that the objectives of GAP LLP are to invest in renewable energy projects that provide benefits to the poor, including girls and women, and demonstrate the viability of renewable energy in those countries in sub-Saharan Africa that GAP is permitted to operate in as set out in the GAP Investment Policy.

3. THE AMENDED AND RESTATED GAP LLP AGREEMENT, THE INTERNATIONAL CLIMATE FUND AND OTHER IMPORTANT DOCUMENTS AND COVENANTS

- 3.1. GAP LLP undertakes to each of the GAP Donors and the PIDG Trust that it shall:
- 3.1.1 conduct its business with reasonable skill and care and in accordance with internationally recognised financial and business practices;
 - 3.1.2 carry on its business in accordance with the Amended and Restated GAP LLP Agreement, the PIDG Code of Conduct, the GAP Investment Policy and the PIDG Operating Policies and Procedures;
 - 3.1.3 maintain at all times a firm of independent accountants acceptable to the GAP Donors as auditors of GAP LLP, the GAP Donors' acceptance not to be unreasonably withheld;
 - 3.1.4 provide the GAP Donors and the PIDG Trust (via the PIDG PMU) with a copy of the Management Services Agreement(s) (subject to the GAP Donors keeping the Management Services Agreement(s) confidential in accordance with Clause 8.3) and comply with the terms of any Management Services Agreement and procure that each Management Services Provider shall comply with its and GAP LLPs reporting obligations to the GAP Donors;
 - 3.1.5 obtain and maintain all insurances as shall be usual for a business undertaking the activities undertaken by GAP LLP (having regard to levels of cover and premium rates at the time);
 - 3.1.6 conduct its business in compliance with OECD Principles of Corporate Governance issued from time to time to the extent applicable for GAP LLP or as otherwise required by the GAP Donors;
 - 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 GAP LLP 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.
- 3.2 The GAP Donors and the Trustees of the PIDG Trust agree that they shall exercise all rights available to them to procure that GAP LLP shall not undertake any of the items set out in Part 1 of Schedule 3 without the unanimous consent of the GAP Donors.
- 3.3 GAP LLP agrees that it shall not undertake any of the items set out in Part 2 of Schedule 3 without the unanimous consent of the GAP Donors.

- 3.4 Without prejudice to the provisions of Clauses 3.2 and 3.3, the PIDG Trust undertakes to the GAP Donors 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 Members of GAP LLP whether in the Amended and Restated GAP LLP Agreement or otherwise, then the Trustees of the PIDG Trust will only exercise any such rights in accordance with the unanimous instruction of all of the GAP Donors.
- 3.5 GAP LLP will ensure that when GAP LLP provides GAP Financing to a Project (the “**Relevant Project**”), it will do so only if (i) the conditions set out in clause 3.6 below, and (ii) any other conditions that apply to GAP LLP’s funding of a Project as may be set out in (a) this Agreement, and (b) the GAP Investment Policy are met (in the case of Clause 3.5(ii) (b) to GAP LLP’s reasonable satisfaction).
- 3.6 GAP LLP hereby acknowledges that the First DFID Grant, the Second DFID Grant the Third DFID Grant and the DECC Grant (i.e. a combined total of GBP 98,000,000) constitute a commitment of climate finance by the UK Government pursuant to the International Climate Fund (the “**UK ICF Funds**”). GAP LLP will ensure that, in respect of the proportion of investment provided by the UK ICF Funds, each recipient of a GAP Financing shall undertake that it will:
- a. not apply for Carbon Emission Reduction Certificates (“CERs”) generated as a result of the Relevant Project; or
 - b. cancel any CERs generated as a result of the Relevant Project.
- 3.7 The PIDG Trust and GAP LLP hereby acknowledge that an amount of up to £3,000,000 of DFID’s Commitment under the Third DFID Grant Arrangement may be made available to the PIDG Trust and/or GAP LLP by DFID to be used solely and exclusively for the purpose of providing such reports as may be required under Clause 8.1(viii), (ix), (x),(xi), (xii), (xiii) and (xvii) and such other reports on and evaluation of GAP LLP as DFID may require. For the avoidance of doubt, all reports on and evaluation of GAP LLP, howsoever funded, will be circulated to the GAP Donors.
- 3.8 DFID may convert its funding under the First DFID Grant Arrangement and the Second DFID Grant Arrangement (in whole or in part) into a Loan or other returnable instrument upon terms and conditions to be agreed by the PIDG Trust and DFID subject to the prior written approval of the PIDG Donors whereupon a consequential amendment to Schedule 5 (Funding Instruments) shall be agreed upon in writing by the GAP Donors, and Schedule 5 of this Agreement shall be deemed to have been amended accordingly.
- 3.9 The Trustees of the PIDG Trust undertake:
- 3.9.1 to comply with the PIDG Code of Conduct and the PIDG Operating Policies and Procedures;
 - 3.9.2 not to change the accounting policy of the PIDG Trust without the consent of the PIDG Donors;
 - 3.9.3 to retain or cause to be retained until at least 12 years after the GAP Donors have received the audit report for the fiscal 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 GAP Donor's representatives to examine such records and accounts of the PIDG Trust;

- 3.9.4 without limitation to Clause 3.9.3 above, furnish or cause to be furnished to the GAP Donors any information reasonably requested by the GAP Donors and allow representatives of the GAP Donors 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.

4. FUNDING COMMITMENT

4.1 Operating Costs

- 4.1.1 GAP LLP may request the disbursement of a Contribution(s) in advance in cash for the following three month period or such other period as a GAP Donor may agree for GAP LLP's expected corporate operating costs, including its forecast spend on the following financial contractual obligations:-

- Management Services Provider(s)' fees and expenses and the costs of any internal management team (whose appointment shall require the prior written approval of the GAP Donors)
- Auditors'/accountants' fees and expenses
- Regulatory and other charges (e.g. Companies House and Financial Conduct Authority (FCA) fees)
- Legal and other third party advisors (including due diligence costs)
- Board Members' fees and expenses (including Executive Director)
- Office rental/utilities
- To maintain a £200,000 contingency for any unexpected costs including additional due diligence or third party costs that may be required, (such amount being the amount that the Board of GAP LLP considers necessary to enable GAP LLP to operate efficiently), except that the GAP Donors may agree on an exceptional basis that a GAP Donor may not be required to provide funding for such contingency costs, so long as the relevant GAP Donor's pro-rata share of such contingency costs is allocated to GAP LLP's other expected corporate operating costs.

- 4.1.2 Such requests for disbursement of a Contribution(s) may be made by GAP LLP in accordance with the terms and conditions set out in this Clause 4.1 by delivering to the PIDG PMU the documents set out below (in a form satisfactory to the GAP Donors in relation to the documents set out in 4.1.2 (a) below) no less than 40 Business Days before the date proposed by GAP LLP for subscription by the PIDG Trust of the Capital Contribution pursuant to the

relevant Subscription Agreement (the “**PIDG Trust Subscription Date**”) in accordance with the process and timeframes described further in Diagram 4.1:-

- (a) (1) a letter addressed to the PIDG Trust (GAP will submit the draft letter to the PIDG PMU who will seek the GAP Donors’ approval) setting out the Needs for the amount requested together with (2) the GAP LLP Management Accounts in respect of the immediately preceding Quarter(s) (the “**Needs Letter**”). The Needs Letter shall show how the previous disbursement(s) was/were used and include the following information:
- (i) a summary of expected sources and uses of funds by Quarter for the current Financial Year and for each Financial Year thereafter (up to the latest Final Donor Disbursement Date of Commitments as set out in Schedule 1 or the latest date of GAP LLP’s financial contractual obligations, whichever shall be the later) which shall include:
 - funding anticipated from GAP Donors identifying each GAP Donor, Funding Instrument and whether committed or not;
 - funding anticipated from other sources;
 - material receipts from any other sources e.g. GAP Financing repayments;
 - expected uses of funds including fees and expenses payable to the Management Services Provider(s), loan repayments (where relevant) and any other requirements;
 - GAP LLP’s corporate operating costs;
 - expected opening and closing cash balances (together with evidence of GAP LLP’s current cash balances);
 - (ii) a record of any funds from previous GAP Donor disbursements to GAP LLP not committed (by way of contract) or spent by GAP LLP, which shall be deducted from the assessment of Needs, if required by the relevant GAP Donor;
 - (iii) the assumptions and risks behind the information provided;
 - (iv) a copy of GAP LLP’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.);
 - (v) a schedule of GAP LLP’s current and estimated future Contingent Termination Payments;
 - (vi) the current status of any Promissory Note(s) that DFID has already issued, including whether any amounts are still to be

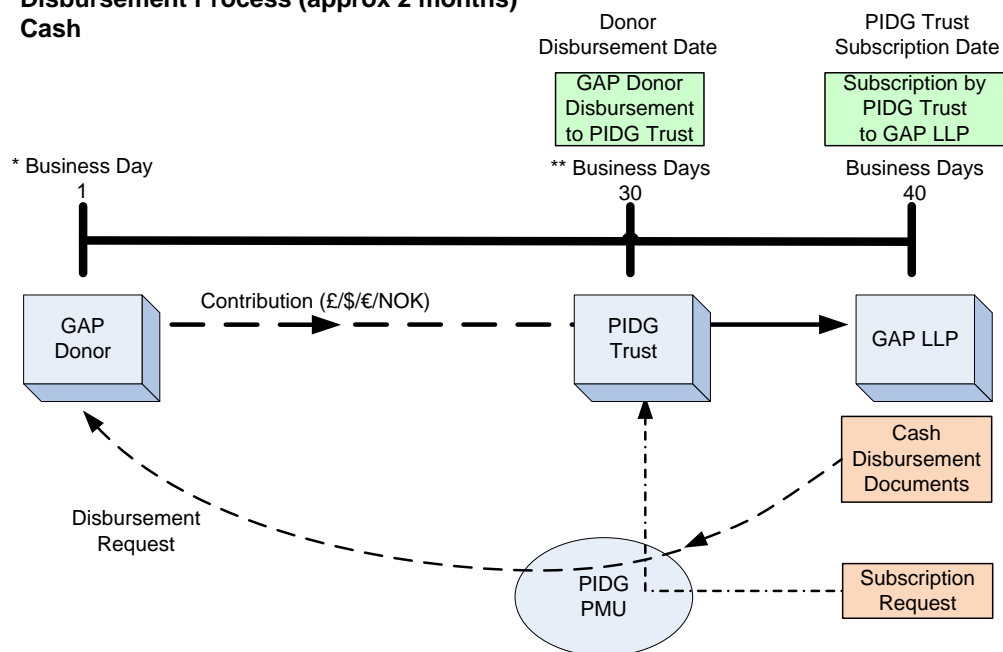
drawn down under any issued Promissory Note(s) and how any amounts drawn down by the PIDG Trust under any issued Promissory Note(s) have been used;

- (b) a completed Subscription Request in form and substance satisfactory to the PIDG PMU;

and upon receipt of the draft Needs Letter, the PIDG PMU shall forward the draft Needs Letter, the PIDG Trust Management Accounts in respect of the immediately preceding Quarter(s) and a Disbursement Allocation Record to the GAP Donors (the Needs Letter, the PIDG Trust Management Accounts and Disbursement Allocation Record being the “**Cash Disbursement Documents**”) for approval.

- 4.1.3 Upon receipt of (i) the Cash Disbursement Documents in form and substance satisfactory to the GAP Donors and (ii) a Subscription Request in form and substance satisfactory to the PIDG PMU, the PIDG PMU will deliver to the GAP Donors a disbursement request(s) substantially in the form set out in each GAP Donor's Funding Instrument (the "**Disbursement Request**"), specifying the amount of the Contribution and the Donor Disbursement Date and attaching the approved Cash Disbursement Documents.

Diagram 4.1
Disbursement Process (approx 2 months)
Cash



* Business Day 1 – the day on which all the Cash Disbursement Documents are in a format satisfactory to the relevant GAP Donor
 ** Business Day 20 - unless agreed in writing between the relevant GAP Donor and GAP LLP, the proposed Donor Disbursement Date must be the last Business Day of a calendar month

4.2 Project Financing and Contingent Termination Payments:

- 4.2.1 GAP LLP may request a disbursement for (i) the amount of GAP Financing and any due diligence costs required for up to three Projects identified by the

GAP Board and set out in GAP LLP's pipeline of Projects, and/or (ii) Contingent Termination Payments by submitting, in the first instance, a draft Needs Letter to the PMU for the PMU to submit to the GAP Donors for the GAP Donors to approve and to agree the Disbursement Allocation Record and whether funds will be disbursed: (a) immediately in cash (which for the avoidance of doubt when received by the PIDG Trust shall be a Contribution) or, (b) in the case of DFID, by way of a Promissory Note(s) substantially in the format set out in Schedule 3 of the Second DFID Grant Arrangement (which for the avoidance of doubt shall not be a Contribution) or, (c) in the case of DECC, by way of ring-fencing an amount of the value of the DECC Promissory Note (which for the avoidance of doubt shall not be a Contribution) and which shall be recorded in the relevant Disbursement Allocation Record, a copy of which shall be sent to GAP LLP for it to use to request a Contribution under DECC's Promissory Note in accordance with Clause 4.2.5 below.

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

- (i) the Cash Disbursement Documents set out in Clause 4.1.2 in a form satisfactory to the GAP Donors (GAP LLP will submit the Cash Disbursement Documents to the PIDG PMU, who will seek the GAP Donors' approval); and
- (ii) a completed Subscription Request in form and substance satisfactory to the PIDG PMU

no less than 40 Business Days before the date proposed by GAP LLP for subscription by the PIDG Trust of the Capital Contribution on the relevant PIDG Trust Subscription Date in accordance with the process and timeframes described further in Diagram 4.1.

4.2.3 Upon receipt of (i) the Cash Disbursement Documents in form and substance satisfactory to the GAP Donors, and (ii) the Subscription Request, the PIDG PMU will deliver a Disbursement Request to the GAP Donors specifying the disbursement and the Donor Disbursement Date.

4.2.4 **Promissory Notes (Second DFID Grant and DECC Grant)** - Requests for disbursements by way of Promissory Note(s) under the Second DFID Grant Arrangement only) may be made by GAP LLP and the PIDG Trust in accordance with the terms and conditions set out in this Clause 4.2.4 by delivering to the PIDG PMU the documents set out below (the "**Promissory Note Disbursement Documents**") in a form satisfactory to DFID (the PIDG PMU being responsible for seeking DFID's approval) in accordance with the process and timeframes described further in Diagram 4.2 below:-

- a) a Promissory Note Issue Request for the amount requested signed on behalf of the PIDG Trust and GAP LLP; and
- b) a Needs Letter.

DFID commits, subject to the terms and conditions of the Funding Instrument to which DFID is a party, to issue the relevant Promissory Note to the PIDG Trust within 20 Business Days of receipt of the Promissory Note Issue Request (i.e. the Donor Disbursement Date) provided that no Promissory Note may be issued after the Final Donor Disbursement Date and provided that notwithstanding any other provision of this Agreement, DFID shall be 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.

4.2.5 GAP LLP and the PIDG Trust may request a Contribution under a Promissory Note (which shall be made under the DFID Grant Arrangement and the DECC Grant Arrangement) by delivering a Promissory Note Drawdown Request signed on behalf of the PIDG Trust and GAP LLP for the amount(s) demanded to the PIDG PMU no less than 40 Business Days before the PIDG Trust Subscription Date in accordance with the process and timeframe described further in diagram 4.3 below. GAP LLP and the PIDG Trust will attach the following documents to the Promissory Note Drawdown Request for DFID's and DECC's information:

- a) The relevant Disbursement Allocation Record;
- b) GAP LLP Management Accounts for the previous Quarter;
- c) evidence of GAP LLP's current cash balances and GAP'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/or (as applicable); and
- d) a schedule of GAP LLP's current and estimated future Contingent Termination Payments;

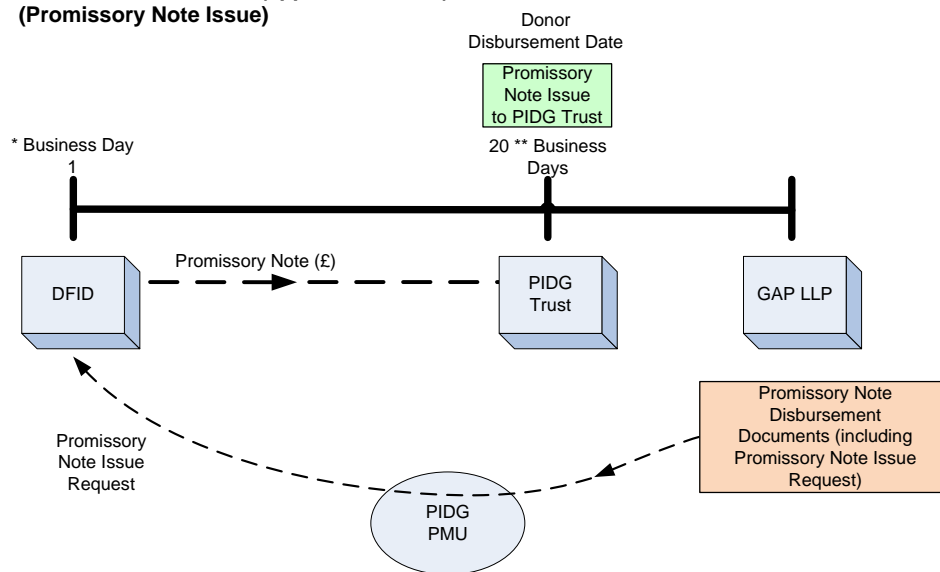
and upon receipt of the documents requested under Clause 4.2.5 above (the "**Promissory Note Drawdown Documents**") the PIDG PMU shall forward the Promissory Note Drawdown Documents to DFID and DECC for disbursement of the amount demanded.

4.2.6 Upon receipt of the Contribution from DFID and/or DECC and a completed Subscription Request in form and substance satisfactory to the PIDG PMU, the PIDG Trust will disburse the Contribution in accordance with the process and timeframe described further in diagram 4.3 below.

4.2.7 If the PIDG Trust does not, for any reason, submit a Promissory Note Drawdown Request to DFID within 5 years of the date of each Promissory Note, the PIDG Trust may return the relevant Promissory Note to DFID and

shall confirm in writing to DFID that the Promissory Note is cancelled. If the Promissory Note is not utilised within 5 years of the date of the Promissory Note but the PIDG Trust does not return the Promissory Note to DFID and confirm that the Promissory Note is cancelled, the PIDG Trust will confirm in writing to DFID for their information the reasons for retaining the Promissory Note. The funding under the promissory note dated 21 December 2012 attached to the DECC Letter of Arrangement (the “**DECC Promissory Note**”) will be available until such time as the funding has been fully disbursed or the PIDG Trust and GAP LLP have confirmed that the promissory note is no longer required.

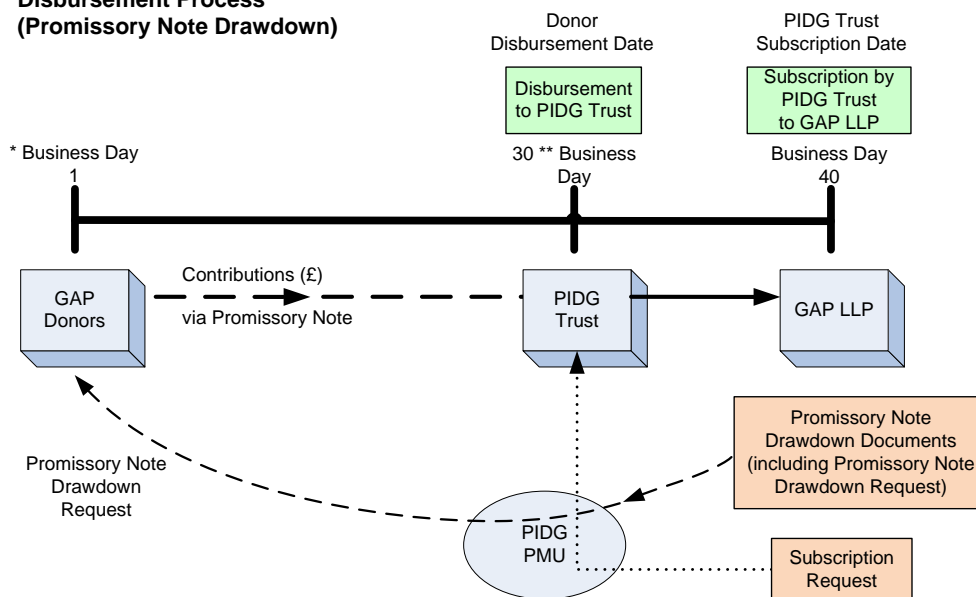
Diagram 4.2
Disbursement Process (approx 2 months)
(Promissory Note Issue)



* Business Day 1 – the day on which all the Promissory Note Disbursement Documents are in a format satisfactory to DFID

** Business Day 20 - unless agreed in writing between DFID and GAP LLP, the proposed Donor Disbursement Date must be the last Business Day of a calendar month

**Diagram 4.3
Disbursement Process
(Promissory Note Drawdown)**



* Business Day 1 – the day on which all the Promissory Note Drawdown Documents are presented to the relevant GAP Donor

** Business Day 30 - unless agreed in writing between DFID and GAP LLP, the proposed Donor Disbursement Date must be the last Business Day of a calendar month

- 4.3 Each of the GAP Donors commits, subject to the terms and conditions of the Funding Instrument to which the relevant GAP Donor is a party, to make any disbursement in cash to the PIDG Trust under Clause 4.1, 4.2.2 or 4.2.5 within 30 Business Days of approval of the Disbursement Request or Promissory Note Drawdown Request (as applicable) (i.e. the Donor Disbursement Date) by the relevant GAP Donor for the purpose of allowing the PIDG Trust to subscribe for Capital Contributions in GAP LLP, provided that no disbursement under Clause 4.1 or 4.2.2 will be made after the Final Donor Disbursement Date and provided that notwithstanding any other provision of this Agreement, any GAP Donor shall, in relation to disbursements under Clause 4.1 and 4.2.2 only, be entitled to consider whether or not it is willing to make the relevant disbursement available and shall have the sole and absolute right to not respond favourably to any Disbursement Request.
- 4.4 Except in relation to the EISER Contract, which was entered into before this Agreement became effective, GAP LLP will only enter into a contractual arrangement under which a Contingent Termination Payment will be paid if it either has sufficient cash and/or a Promissory Note in place for such Contingent Termination Payment.
- 4.5 The Parties agree that any subscription by the PIDG Trust for Capital Contributions will be subject to the following conditions:
- 4.5.1 receipt by the PIDG Trust of a completed Subscription Request from GAP LLP (via the PIDG PMU);
 - 4.5.2 receipt by the PIDG Trust of sufficient funds from the GAP Donors under the relevant Funding Instruments to subscribe for the Capital Contributions as requested under the relevant Subscription Request; and

- 4.5.3 that the Disbursement is in GBP, EUR, US\$ or NOK (as applicable) and does not, when aggregated with all of the previous Contributions of the relevant GAP Donor, exceed the Available Commitments for that GAP Donor, including any Commitments rolled over under the provisions of Clause 4.8.
- 4.6 Subject to satisfaction of the terms and conditions of this Agreement, any Funding Instrument and any Subscription Agreement, the PIDG Trust shall subscribe for Capital Contributions 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 GAP Donor are made available to the PIDG Trust, unless otherwise agreed with the relevant GAP Donor.
- 4.7 Notwithstanding the provisions of this Clause 4, the PIDG Trust shall not be required to subscribe, directly or indirectly, for Capital Contributions 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 this Clause 4 or otherwise) without the unanimous consent of the GAP Donors and always subject to the prior receipt by the PIDG Trust of the relevant GAP Donors' Contributions to the PIDG Trust as set out in their respective Column in Schedule 1, as may be amended from time to time.
- 4.8 In the event that an amount drawn down by GAP LLP 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 GAP Donor, be carried over to the following Financial Year (up to the relevant Final Donor Disbursement Dates set out in Schedule 1) and the total Commitment amounts in the respective GAP Donor's Column and the Column headed "PIDG Trust" in Schedule 1 shall be amended accordingly.
- 4.9 No GAP Donor can be required to increase its Commitment. The Parties acknowledge and agree that subject to the unanimous approval in writing of the GAP Donors, a GAP Donor 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 GAP Donor being the "Excess") and the PIDG Trust may meet requests for a Disbursement in such Financial Year from GAP LLP in respect of an amount equal to the aggregate of each such Excess.
- 4.10 The Parties acknowledge and agree that if any Excess is made available in accordance with the provisions of Clause 4.9, the relevant GAP Donor will confirm 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 the 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.
- 4.11 Notwithstanding the provisions of this Clause 4, each GAP Donor may (subject to its own policies and procedures), following consultation with the PIDG Trust 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 GAP Donor 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 the PIDG Trust that the PIDG Trust will hold all such Commitments on behalf of the relevant GAP Donor and only disburse the relevant annual Commitment to GAP LLP 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 a GAP Donor, then the interest earned by the PIDG Trust on the relevant Commitment held by the PIDG Trust pending disbursement to GAP LLP 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 GAP Donor to General Administration Costs for the following year shall be adjusted accordingly to take account of such positive balance.

4.12 The Parties acknowledge that the Commitments of each GAP Donor are subject to and conditional upon the terms and conditions of their relevant Funding Instrument.

4.13 Any GAP Donor may in its absolute discretion:

- (a) reduce the amount of the undisbursed portion of its Commitment (for the avoidance of doubt a GAP Donor may reduce the undisbursed portion of its Commitment to zero); and
- (b) change the amounts and/or timing of the undisbursed portion of its Commitments in Schedule 1 in either case with effect from 3 (three) months after proposing such a reduction or change in writing to all of the GAP Donors, the PIDG Trust and GAP LLP, following which within a period of 10 Business Days a revised Schedule of Commitments shall be agreed upon in writing by the GAP Donors, whereupon Schedule 1 of this Agreement shall be deemed to have been amended accordingly. For the purposes of this Clause 4.13, any Promissory Note issued by DFID to the PIDG Trust shall constitute a disbursed portion of their Commitment.

5. DECISION MAKING

5.1 All decisions of the GAP Donors in respect of any acts relating to GAP LLP which require a decision of the GAP Donors (including items referred to in Clauses 3.2 and 3.3 above) shall be decided by the GAP Donors in accordance with the provisions of this Clause 5 or if not set out herein as stipulated by the PIDG Constitution.

5.2 Decisions of the GAP Donors shall be made at meetings of the GAP Donors except as provided below in Clause 5.4.

5.3 Unless otherwise agreed in writing by all GAP Donors, physical meetings of the GAP Donors will be held at least twice a year to coincide with meetings of the PIDG and otherwise at such date, time and place as will be determined by consultation with all GAP Donors. No business shall be transacted at a meeting of the GAP Donors unless all GAP Donors are present or otherwise represented or have otherwise so consented in writing.

- 5.4 Any decision required or permitted to be taken at a meeting of the GAP Donors may be taken without a meeting if consent in writing, setting forth the decision(s) to be so taken, has been circulated to all GAP Donors and approved in writing, in one or more counterparts, by all GAP Donors.
- 5.5 At any meeting of the GAP Donors, including physical meetings, where no duly authorised representative of a GAP Donor is able to attend in person, a representative of that GAP Donor may participate by means of such telephone or other communications facilities as permit all participants to hear each other.
- 5.6 Each GAP Donor will have one vote at meetings of the GAP Donors with the exception of DFID and DECC who shall each have a vote. Decisions of the GAP Donors must be unanimous.
- 5.7 The PIDG PMU shall be instructed by the GAP Donors to provide each GAP Donor with written notice of a meeting of the GAP Donors not less than thirty (30) days before the date of the meeting unless such notice has been waived by the intended recipient. Such notice will state the date, place, time and proposed agenda of the meeting. GAP Donors will be invited to comment on the agenda proposed. A revised agenda (if relevant) will be provided to each GAP Donor not less than fifteen (15) days before the date of the meeting.
- 5.8 Where a decision is taken at a meeting of the GAP Donors on a matter which was not shown on the agenda and any GAP Donor is absent from that meeting, that decision shall be circulated to any absent GAP Donors for approval in accordance with Clause 5.4.
- 5.9 For the avoidance of doubt, the Parties acknowledge and agree that the provisions of this Clause 5 shall apply at all times including, without limitation, if there is at any time only one GAP Donor.
- 5.10 The PIDG PMU shall be directed by the GAP Donors to keep minutes of all GAP Donor meetings, recording subject matters handled, a summary of any discussion having taken place, and setting out in detail the decisions made by the GAP Donors.
- 5.11 All other matters pertaining to the day to day affairs and management of GAP LLP shall be dealt with by the Board of GAP LLP and it is explicitly agreed to the extent permitted by any relevant laws or regulations that the GAP Donors shall not have any responsibility or liability for any such day-to-day affairs and management of GAP LLP operational matters.
- 5.12 The PIDG Trust (via the PIDG PMU) shall take all reasonable steps to ensure that the decisions taken by the GAP Donors in accordance with the above are implemented by the Board of GAP LLP and by the Management Services Provider(s) (as applicable).

6. PROCEEDS

- 6.1 If the PIDG Trust receives Proceeds, such Proceeds will be applied by the PIDG Trust as follows:
 - (i) First, to be paid pro rata to each GAP Donor (at the option of each such GAP Donor) in repayment of the amount of each such GAP Donor's Contribution to

the PIDG Trust for GAP LLP (to the extent of such GAP Donor's Contribution) plus such amount of any surplus Proceeds pro rata to the amount of each such GAP Donor's aggregate Contribution to the PIDG Trust for GAP LLP;

- (ii) Second, to the extent that any GAP Donor 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 to each relevant GAP Donor (or as such GAP Donor shall otherwise direct) in repayment of the amount of each such GAP Donor's Contribution to the extent not already repaid in accordance with the provisions of this Agreement.

6.2 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 in accordance with the terms of any relevant Funding Instrument including, at any GAP Donor's request to liquidate its investment in GAP LLP (through whatever means) subject always to the consent of each GAP Donor, where such consent is required in accordance with the PIDG Constitution, and the consent of the Protector (as defined in and in accordance with the Declaration of Trust).

7. CO-OPERATION

- 7.1 Prior to making a Contribution, the GAP Donors will (via the PIDG PMU) 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 agree the Agreed Proportions for each Disbursement Allocation Record.
- 7.2 If an event of default occurs under the terms of any Funding Instrument or any Funding Instrument is terminated for whatever reason, the GAP Donor in respect of whose Funding Instrument is terminated or the event of default has occurred shall promptly notify the other GAP Donors in writing of the event of default or termination.
- 7.3 In the case of an event of default under the terms of any Funding Instrument the GAP Donors and the PIDG Trust will co-operate (for example, the GAP Donors and the PIDG Trust would 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.
- 7.4 In the event that a GAP Donor does not meet its funding Commitment or reduces its funding Commitment in accordance with the provisions of Clause 4 in circumstances where GAP LLP is not in breach of this Agreement or any Subscription Agreement (such unmet Commitment being a "Missed Commitment") and such decision not to meet or to reduce its funding Commitment results in GAP LLP being liquidated or otherwise wound up because it cannot meet its financial obligations as they fall due, such GAP Donor agrees to indemnify the Board Members of GAP LLP for any liability

they may incur as a result of such liquidation or winding up to the extent of the financial value of the Missed Commitment and the GAP Donors hereby agree to indemnify the Board Members of GAP LLP for any such outstanding liability in excess of the financial value of the Missed Commitment, pro rata to their share of the Total Commitments set out in their respective Columns in Schedule 1 and subject always to a total maximum limit in the case of each GAP Donor of each GAP Donor's respective outstanding undisbursed Commitment. The indemnity in this Clause 7.4 does not cover any liability arising from gross negligence, wilful default or fraud on the part of either GAP LLP or any Board Member of GAP LLP or the Project Client (but only if and to the extent such gross negligence, wilful default or fraud on the part of the Project Client is within the control of GAP LLP). The Board Members of GAP LLP may enforce the terms of this Clause 7.4 pursuant to the Contracts (Rights of Third Parties) Act 1999.

- 7.5 No GAP Donor shall demand or receive payment or repayment of any amount due to it under a Funding Instrument except to the extent available from such GAP Donor's share of Proceeds in accordance with Clause 6 except where such GAP Donor's Contribution has been misused or misappropriated by the PIDG Trust, GAP LLP upon receipt of the Contribution by GAP LLP or a Project Client under a GAP Financing. In this case, payment or repayment of such misused or misappropriated Contribution may exceed the amount available from such GAP Donor's share of Proceeds in accordance with Clause 6 but shall be subject to written demand for such payment or repayment by the GAP Donor and shall be limited to the amount of such GAP Donors' Contribution. In the case of misuse or misappropriation of a GAP Donor's Contribution by GAP LLP or a Project Client under a GAP Financing, the PIDG Trust shall use its best endeavours to recover such misused or misappropriated Contribution from GAP LLP or GAP LLP shall use its best endeavours to recover such misused or misappropriated Contribution from the Project Client (as applicable). Nothing in this Agreement shall require the PIDG Trust to initiate any legal, enforcement, default or other proceedings of any nature against GAP LLP or any other person, unless it has first been indemnified by the GAP Donors to the satisfaction of the PIDG Trust in respect of such steps.

8. REPORTING

- 8.1 GAP LLP and the PIDG Trust shall provide the following documentation and information as applicable (and in the case of the PIDG Trust, upon receipt of the relevant documentation and information from GAP LLP and the other corporate entities owned by the PIDG Trust as applicable), in each case as adopted or approved by the Board or the PIDG Trust, (as applicable), to the PIDG PMU for circulation to the GAP Donors (and in the case of the GAP LLP Management Accounts in clause 8.1(ii) below and the PIDG Trust Management Accounts in Clause 8.1(iii) below, to each PIDG Donor) in order to meet the requirements of the GAP Donors, which may vary from time to time with the written agreement of the PIDG Trust and GAP LLP:

Quarterly:

- (i) within 10 days of the end of each Quarter a quarterly update of GAP LLP's Risk Register including a report on material risks for GAP LLP at that time (including in relation to any of the Projects and/or any GAP Financing, for

example, any actual or potential impairment or provision in respect of any of the Projects and/or any GAP Financing);

- (ii) within 45 days of the end of each Quarter :
 - (a) the GAP LLP Management Accounts prepared in accordance with IFRS;
 - (b) in addition a cash forecast report providing a summary of expected sources and uses of funds by Quarter for the current Financial Year and for each Financial Year thereafter (up to the latest Final Donor Disbursement Date of Commitments set out in Schedule 1 or the latest date of GAP LLP's financial contractual obligations, whichever shall be the later) which shall include:
 - (i) a summary of expected sources and uses of funds by Quarter for the current Financial Year and for each Financial Year thereafter (up to the latest Final Donor Disbursement Date of Commitments as set out in Schedule 1 or the latest date of GAP LLP's financial contractual obligations, whichever shall be the later) which shall include:
 - funding anticipated from GAP Donors identifying each GAP Donor, Funding Instrument and whether committed or not;
 - funding anticipated from other sources;
 - material receipts from any other sources e.g. GAP Financing repayments;
 - expected uses of funds including fees and expenses payable to the Management Services Provider(s), loan repayments (where relevant) and any other requirements;
 - GAP LLP's corporate operating costs;
 - expected opening and closing cash balances (together with evidence of GAP LLP's current cash balances);
 - a record of any funds from previous GAP Donor disbursements to GAP LLP not committed (by way of contract) or spent by GAP LLP;
 - a copy of GAP LLP's current pipeline of proposed 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.);
 - a schedule of GAP LLP's current and estimated future Contingent Termination Payments;
 - the current status of any Promissory Note(s) that DFID has issued, including whether any amounts are still to be drawn down under any issued Promissory Notes(s) and how any

amounts drawn down by the PIDG Trust under any issued Promissory Note(s) have been used;

The format of (a) the GAP LLP 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 GAP LLP stakeholders to whom GAP LLP owes a similar reporting obligation (for example, lenders);

- (c) the assumptions and risks behind the information provided under Clause 8.1(ii)(b) including any material management decision(s) about any impairment or provision in respect of any of the Projects and/or any GAP Financing and if appropriate information or liquidity management;
 - (d) progress reports on the status of the activities of GAP LLP in such form and detail as the GAP Donors may require including an update on progress against logframe targets and results achieved, a summary and status update of GAP LLP's pipeline of Projects and each investment in GAP LLP's portfolio and any special reports relating to Projects of GAP LLP and/or any GAP Financing as any GAP Donor may require;
- (iii) 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 Facilities;

Six-Monthly:

- (iv) within 10 days of each of 30 June and 31 December each year, a summary data sheet in form and substance satisfactory to DFID and DECC with regard to the six key performance indicators set out in Schedule 4;

Annually:

- (v) on or prior to 1 November in each Financial Year, a copy of GAP LLP's Business Plan and Budget;
- (vi) within 90 days after the end of each Financial Year, a copy of GAP LLP's audited consolidated financial statements for such Financial Year prepared in accordance with IFRS together with: (i) an audit report thereon signed by GAP LLP's auditors which shall contain a summary of the findings from the audit process; (ii) an annual letter of representation signed on behalf of GAP LLP 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 GAP LLP are satisfactory, and (iii) a written explanation of any differences between GAP LLP's audited consolidated financial statements and the GAP LLP Management Accounts submitted in such Financial Year (and GAP LLP hereby agrees to arrange for a copy of such

audited consolidated financial statements to be published on GAP LLP's website within 30 days of the end of the said 90-day period);

- (vii) within 120 Business 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;
- (viii) an annual in-depth lessons learned/policy development report is to be produced and presented by GAP LLP as follows: 1 in 2015 and 2 each in 2016 and 2017;
- (ix) such reasonable support, assistance and written contributions to the PIDG Annual Report as the PIDG Trust may require;

Miscellaneous:

- (x) notice of any event or circumstance which may cause or will cause an impairment or provision to be recorded in the GAP LLP Management Accounts in respect of any GAP Financing, investment or other asset of GAP LLP, as soon as GAP LLP becomes aware of such event or circumstance;
- (xi) logframes and reports on the development impact of the Projects and GAP in accordance with the results monitoring methodology, format and timetable agreed by the PIDG Donors and set out in the PIDG Results Monitoring Handbook, which shall include an annual report on GAP LLP's performance against its annual logframe targets;
- (xii) case studies relating to Projects that have reached financial close in the year in which the Project reaches financial close, in such form and substance as the PIDG Trust may reasonably require from time to time in accordance with Indicator 5 in the GAP LLP logframe, (i.e. 5 Project case studies in 2015 and 5 Project case studies in 2016);
- (xiii) the organisation and hosting, in consultation with the PIDG PMU, of at least one "GAP Awareness Day" (in workshop format) per 4 year period (on a date(s) to be agreed between the GAP Donors) for PIDG Members and PIDG Facilities on such GAP LLP activity as GAP LLP and the GAP Donors may agree, but to include an element of lessons learned and policy development;
- (xiv) prompt notice of any proposed change in the purpose, nature or scope of the business or operations of GAP LLP;
- (xv) at least 14 Business Days' notice (or such other period of notice as permitted by the Amended and Restated GAP LLP Agreement) of the calling of any meeting of the Members of GAP LLP indicating the agenda thereof, and as soon as available thereafter the minutes of such meeting;
- (xvi) prompt notice of any litigation which is reasonably likely to affect, materially and adversely, GAP LLP or any PIDG Donor;

- (xvii) without limitation to the above, any information reasonably requested by the PIDG Trust and/or the GAP Donors (and it will allow representatives of the PIDG Trust and the GAP Donors the right to review the progress of any investment by GAP LLP (including the audited financial statements of any Project Client) and allow the representatives of the PIDG Trust and the PIDG Donors the right to audit the books and records of GAP LLP provided that GAP LLP shall not be obliged to disclose any information which is subject to legally-binding confidentiality or non-disclosure undertakings in favour of a third party unless such third party agrees to such disclosure); and
 - (xviii) such reasonable support and assistance as the GAP Donors may require when undertaking any mid-term or progress review of GAP LLP.
- 8.2 GAP LLP shall be obliged (and shall require that any Management Services Provider shall be obliged) (where applicable): (i) to retain or cause to be retained for at least 12 (twelve) years from the date of the creation of the record, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing GAP LLP's expenditure and ensure that such records and accounts are included in the annual audit of GAP LLP and enable the GAP Donors' representatives to examine such records and accounts of GAP LLP; and (ii) without limitation to the above, to furnish or cause to be furnished to the GAP Donors any information reasonably requested by a GAP Donor and to allow representatives of the GAP Donors on reasonable notice the right to review the progress of any Project of GAP LLP and allow the GAP Donors the right to audit the books and records of GAP LLP and any Management Services Provider (where applicable).
- 8.3 The GAP Donors undertake to GAP LLP that they shall keep confidential all information of a secret or confidential nature received by them relating to GAP LLP. This clause 8.3 does not apply to the disclosure of information:-
- 8.3.1 pursuant to the PIDG Disclosure Policy and Procedures (which form a part of the PIDG Operating Policies and Procedures as defined);
 - 8.3.2 to the extent that such information comes into the public domain (other than through the breach of this clause 8.3) or as required by law or by any court or any other regulatory body; or
 - 8.3.3 to any of the GAP Donors' 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.

9. TERM

- 9.1 Subject to earlier termination pursuant to Clause 9.2 below, this Agreement shall continue for a term (the "**Term**") of fifteen (15) years from the date of incorporation of GAP LLP (4 April 2013). The GAP Donors shall meet at least 6 months prior to the end of the Term to discuss whether or not they wish to continue the activities of GAP LLP and, if so, on what terms. If no agreement is reached between the GAP Donors, then (save to the extent that there are still amounts outstanding to GAP LLP in respect of any Project, GAP Financing or other asset, which will be dealt with in accordance with

Clause 9.3) this Agreement shall automatically terminate on the expiry of the Term whereupon GAP LLP shall be wound up and any Proceeds distributed in accordance with Clause 6.

- 9.2 The GAP Donors shall meet at least 6 months prior to (i) the last Final Donor Disbursement Date and/or (ii) the termination (howsoever arising) of the last Funding Instrument to discuss whether or not they wish to continue the activities of GAP LLP and, if so, on what terms. If no agreement is reached between the GAP Donors within a reasonable period of time, then GAP LLP shall be wound up and any Proceeds distributed in accordance with Clause 6 whereupon this Agreement will be deemed to have terminated.
- 9.3 In the event the Parties seek to terminate this Agreement pursuant to either Clause 9.1 or Clause 9.2, and at the proposed date of termination there are still amounts outstanding to GAP LLP in respect of any Project, GAP Financing or other asset, then the Parties agree that they (acting reasonably) will discuss between themselves (without any commitment upon the GAP Donors (or any other Party hereto) to provide further funding to GAP LLP) how such amounts might be repaid, repaid early, assigned or transferred, or otherwise managed by the GAP Donors. The Parties will use their reasonable endeavours to assign or transfer or otherwise manage any outstanding amounts in respect of any Project, GAP Financing or other asset in the event that repayment or early repayment is not possible but to the extent they are unable to do so, the termination date referred to in Clause 9.1 or 9.2 (as applicable) shall be extended and this Agreement shall remain in full force and effect until such time as all such amounts in respect of any Project, GAP Financing or other asset have been duly assigned or transferred or otherwise agreed to be managed by the GAP Donors.
- 9.4 Termination of this Agreement shall not affect the validity of any Promissory Note issued by DFID to the PIDG Trust irrespective of whether any funds have been drawn down under the relevant Promissory Note pursuant to a Promissory Note Draw Down Request.

10. TRANSFERS AND ACCESSION

- 10.1 A GAP Donor may not transfer its Commitment to another GAP Donor or a PIDG Donor, and the PIDG Trust may not transfer its Capital Contributions, unless (i) the other GAP Donors and the PIDG Trust have consented in writing to such transfers, (ii) the transferee has entered into a letter of accession substantially in the form set out in Schedule 2 of this Agreement agreeing to be bound, inter alia, by the terms of this Agreement; and (iii) the transferee has entered into a Funding Instrument (or the transfer, novation or assignment of a Funding Instrument) in a form acceptable to the other GAP Donors and any other parties thereto.
- 10.2 An Additional GAP Donor may accede to this Agreement by entering into: (i) a letter of accession substantially in the form set out in Schedule 2 to this Agreement, agreeing to be bound, inter alia, by the terms of this Agreement; and (ii) a Funding Instrument in a form acceptable to the other GAP Donors and any other parties thereto.

10.3 Upon a transfer of a Commitment or Capital Contributions or accession of an Additional GAP Donor to this Agreement, or an increase or reduction of a Commitment or where otherwise agreed by the GAP Donors, a revised Schedule of Commitments shall be agreed upon in writing by the GAP Donors, whereupon Schedule 1 of this Agreement shall be deemed to have been amended accordingly to reflect such revised Schedule of Commitments.

11. GENERAL

11.1 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 and the Board appointed by them (or their alternates) give effect to the terms of this Agreement.

11.2 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 the GAP Donors, except that nothing in this Agreement shall prevent the publication or disclosure by the GAP Donors on www.pidg.org or each GAP Donor's own website (including pursuant to the International Aid Transparency Initiative) or by GAP LLP on GAP LLP's own website of all or any of the provisions of this Agreement (including, without limitation, any of the documents annexed hereto or referred to herein).

11.3 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.

11.4 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.

11.5 This Agreement and any amendment or variation hereto in accordance with Clause 11.6 may be executed in any number of counterparts, all of which taken together shall constitute the whole Agreement.

11.6 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.

11.7 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 or, in the case of a GAP Donor, in accordance with the provisions of Clause 10 (Transfers and Accession).

11.8 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.

11.9 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.

- 11.10 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 other provisions 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.
- 11.11 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 any GAP Donor be replaced by other provisions in accordance with the purpose and meaning of this Agreement.
- 11.12 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.
- 11.13 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.
- 11.14 Save where expressly stated to the contrary, the Contracts (Rights of Third Parties) Act 1999 of England and Wales shall not apply to this Agreement.
- 11.15 (i) If any provision of this Agreement conflicts with the provisions of the Amended and Restated GAP LLP Agreement or a Subscription Agreement then (to the extent permitted by law) this Agreement shall prevail and each of the GAP Donors, the PIDG Trust and GAP LLP undertakes forthwith as among themselves to take all reasonable steps to amend, waive or suspend such provisions of the Amended and Restated GAP LLP Agreement and/or Subscription Agreement to the extent necessary to reflect the provisions of this Agreement.
- (ii) Subject to Clause 11.15(iii) below, 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 the GAP Donors, the PIDG Trust and GAP LLP 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.
 - (iii) Except in relation to the Second DFID Grant Arrangement Clause 11.15(ii) shall not apply to the Proceeds provisions set out in Clause 6 and the reporting provisions set out in Clauses 8.1, 8.2 and 8.3 of this Agreement. However, notwithstanding the terms of any Funding Instrument, the Parties hereby acknowledge and agree that receipt by the GAP Donors of documentation and information provided by GAP LLP (either directly or via the PIDG PMU) will

be deemed to discharge the obligations of the PIDG Trust and the Trustees from their obligations under Clause 8 in relation to such documentation and information.

- 11.16 Except where this Agreement expressly provides to the contrary, obligations, covenants, warranties, representations and undertakings expressed to be undertaken 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.
- 11.17 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.
- 11.18 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.

12. DISPUTES

- 12.1 **Governing Law:** This Agreement and any dispute arising out of or in connection with it or its subject matter (including non-contractual disputes or claims) (a “**Dispute**”) shall be governed by, and construed in accordance with, the laws of England and Wales.
- 12.2 **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 30 (thirty) 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 30 (thirty) days after such referral. This shall not affect a Party's right, where appropriate, to seek interim relief from a court of competent jurisdiction.
- 12.3 **Arbitration:** All Disputes which are unresolved by the chairmen or chief executives or equivalents pursuant to Clause 12.2, 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.
- 12.4 **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 20 (twenty) 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.
- 12.5 **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 appeal-able.

- 12.6 **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.
- 12.7 **Aid to Arbitration:** All Parties irrevocably submit to the non-exclusive jurisdiction of the courts of England to support and assist the arbitration process pursuant to Clause 12.3 including, if necessary, the grant of interlocutory relief pending the outcome of that process.
- 12.8 **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.

13. NOTICES

- 13.1 All notices or other communications to be given under this Agreement shall be made in writing and by letter or facsimile 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 facsimile transmission, provided that the sender has received a receipt indicating proper transmission and a hard copy of such notice or communication is forthwith sent by prepaid post to the relevant address set out below) 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 facsimile number specified in Clause 13.2, or at such other address or facsimile number as such Party may hereafter specify for such purpose to the others by notice in writing.
- 13.2 The addresses referred to in Clause 13.1 are:

13.2.1 **DECC:**

Kings Buildings
16 Smith Square
London
SW1P 3HQ

Fax number: +44 (0)300 068 5002
E-mail: abu.zaki@decc.gsi.gov.uk
FAO: Abu Zaki

13.2.2 **DFID:**

22 Whitehall
London
SW1A 2EG

Fax number: +44 (0) 20 7023 0105
E-mail: j.guthrie@DFID.gov.uk
FAO: Jeremy Guthrie

13.2.3 **GAP LLP:**

Norfolk House
31 St James's Square
London SW1Y 4JR
United Kingdom

Fax Number: +44 (0) 207 597 3061
E-mail: jim@jl-cohen.com
FAO: Chair, Green Africa Power LLP

13.2.4 The Trustees of the PIDG Trust:

C/O SG Hambros Trust Company Ltd
Norfolk House
31 St James's Square
London SW1Y 4JR
United Kingdom

Fax Number: +44 (0)20 7597 3061
E-mail: Rachel.iles@sghambros.com
FAO: Rachel Iles

With a copy to:

PIDG PMU
St Nicholas House
St Nicholas Road
Sutton
Surrey SM1 1EL
United Kingdom

Fax Number: +44 (0) 208 770 9184
E-mail: diane.harris@mdy.co.uk
FAO: Head of Operations

- 13.3 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.

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.

Ian Shapiro, Head of Private Sector Department for and on behalf of **the Secretary of State for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland**)
)
)

David Capper, Head of Team, International Climate Policy & Finance for and on behalf of **the Department of Energy and Climate Change of the Government of the United Kingdom of Great Britain and Northern Ireland**)
)
)

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

SG Hambros Trust Company Ltd)

By :)

Name:)

Title:)

Multiconsult Trustees Ltd)

By:)

Name:)

Title:)

Minimax Ltd)

By:)

Name:)

Title:)

Green Africa Power LLP

By:

Name:

Title:

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SCHEDULE 1

Schedule of Commitments

Disbursement Date			
	I	II	IV
	DECC (to PIDG Trust) GBPm	DFID (to PIDG Trust) GBPm	PIDG TRUST (to GAP LLP) GBPm
2012	0.5	0	0.5
2013	0	1.7	0
2014	7	7	15.7
2015	17.5	27.618	45.118
2016	0	33.682	33.682
Total	25	70	95
Final Donor Disbursement Date	31.12.2015 (DECC Grant Arrangement)	30.09.2016 (Second DFID Grant Arrangement)	

SCHEDULE 2

LETTER OF ACCESSION

We refer to the Funders Agreement dated [] between:

1. The Secretary of State for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland acting through the Department for International Development (herein referred to as "DFID");
2. The Secretary of State for Energy and Climate Change of the Government of the United Kingdom of Great Britain and Northern Ireland acting through the Development of Energy and Climate Change (herein referred to as "DECC");
3. SG Hambros Trust Company Limited;
4. Minimax Ltd; and
5. Multiconsult Trustees Ltd;
(acting as trustees of the Private Infrastructure Development Group Trust); and
6. Green Africa Power LLP
("the GAP Funders' Agreement").

We agree with each GAP Donor and all other Parties that with effect from the date hereof we will comply with the terms of the GAP Funders Agreement as if we were an original signatory thereto.

Signed for and on behalf of

[Executed by all Parties to the GAP Funders' Agreement and Additional GAP Donors to the GAP Funders' Agreement]

SCHEDULE 3

MATTERS REQUIRING UNANIMOUS CONSENT OF GAP DONORS

PART 1

The GAP Donors and the Trustees of the PIDG Trust undertake to each other that they shall exercise all rights available to them to procure that GAP LLP shall not (and that the subsidiaries of GAP LLP shall not), without the prior written consent of the GAP Donors:

1. Change the Amended and Restated GAP LLP Agreement, unless required by law, in any manner which would be inconsistent with the provisions of this Agreement;
2. undertake or permit any merger, consolidation or reorganisation of GAP LLP;
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. appoint or remove any person as a Board Member of GAP LLP (including the Chairperson);
6. implement any other matter which, according to the Law of England, is required to be decided upon by the Members of GAP LLP;
7. agree (conditionally or otherwise) to do any of the matters or things set out in this Part 1 of Schedule 3.

PART 2

GAP LLP undertakes that it shall not (and that the subsidiaries of GAP LLP shall not) without the prior written consent of the GAP Donors [(or in the case of item 6 the “Non-Objection” (as defined below) of the GAP Donors)]:

1. enter into any transaction with any Person other than in the ordinary course of GAP LLP's business, on the basis of arm's-length arrangements and in accordance with the GAP Investment Policy, the PIDG Code of Conduct and the PIDG Operating Policies and Procedures;
2. change the GAP Investment Policy, unless required by law, in any manner which would be inconsistent with the provisions 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 GAP Investment Policy, the PIDG Code of Conduct and the PIDG Operating Policies and Procedures or in the ordinary course of business of GAP LLP;
4. make any material alteration (including cessation) to the general nature of its business beyond that set out in Clause 2.1 to this Agreement;
5. enter into any partnership, profit-sharing or royalty agreement or other similar arrangement whereby GAP LLP's income or profits are, or might be, shared with any other person outside the ordinary course of business;

6. enter into, terminate, amend or grant any waiver in respect of any provision of, a Management Services Agreement except in accordance with the terms thereof;
7. enter into, terminate, amend or grant any waiver in respect of any provision of, the Operator Services Agreement except in accordance with the terms thereof;
8. declare or distribute any Proceeds arising in any way from GAP LLP save as set out in this Agreement;
9. 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;
10. enter into or terminate any Board Member Service Contract with a Board Member of GAP LLP (including the Chairperson);
11. save to the extent approved as part of GAP LLP's Business Plan and 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, any Project related instrument entered into by GAP LLP in accordance with the Business Plan and Budget);
12. 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;
13. 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;
14. make any gift or political or charitable donation;
15. commence or settle any legal or arbitration proceedings otherwise than in the ordinary course of its business;
16. create or allow to subsist any encumbrance over any of its assets otherwise than in the ordinary course of business;
17. form any subsidiary company, limited liability partnership or any other Entity; or
18. agree (conditionally or otherwise) to do any of the matters or things set out in this Part 2 of Schedule 3.

[For the purposes of item 6 above, the Non-Objection of the GAP Donors will be obtained if GAP LLP sends a written request for approval for any matter referred to in item 6 to the GAP Donors and no written objection is received from any GAP Donor within 10 (ten) days of the date of the request.]

SCHEDULE 4
KEY PERFORMANCE INDICATORS FOR THE
INTERNATIONAL CLIMATE FUND (ICF)

<u>KPI</u>	<u>Units</u>
1. Number of direct jobs created as a result of ICF support.	Number of people
2. Change in Greenhouse Gas (GHG) emissions as a result of ICF support	tCO₂e
3. Level of installed capacity of clean energy as a result of ICF support (NOT including on-grid)	MW
4. Volume of public finance mobilised for climate change purposes as a result of ICF funding	£ legally committed in the 12 month period
5. Volume of private finance mobilised for climate change purposes as a result of ICF funding	£ legally committed in the 12 month period
6. Extent to which ICF intervention is likely to have a transformational impact	Score 1 – 4

SCHEDULE 5
FUNDING INSTRUMENTS

Donor	Funding Instrument	Date	Amount	Subscription Agreement
DFID	First DFID Grant Arrangement	16 December 2013	£1,700,000	PIDG Trust/GAP LLP Subscription Agreement (No. 2)
DFID	*Second DFID Grant Arrangement		£68,300,000	PIDG Trust/GAP LLP Subscription Agreement (No. 4)
DFID	Third DFID Grant Arrangement		£3,000,000	TBC
DECC	*DECC Grant Arrangement	20 December 2012	£25,000,000	<p>PIDG Trust /GAP LLP Subscription Agreement (No.1) (in relation to £164,102.40) from the initial £0.5m</p> <p>PIDG Trust/GAP LLP Loan Conversion and Subscription Agreement (No. 3)</p> <p>(in relation to £335,897.60 as recorded in the PIDG Trust/GAP LLP Loan Agreement dated 24 December 2013 representing the balance of the initial £0.5m)</p>
				PIDG Trust/GAP LLP Subscription Agreement (No. 4)

*Where indicated, copies of each of the Funding Instruments are annexed to this Schedule 5.

Schedule 6

Format of Promissory Note Drawdown Request

To: Department for International Development
22 Whitehall
London
SW1A 2EG

Department of Energy and Climate Change
Kings Buildings
16 Smith Square
London
SW1P 3HQ

Date:

Dear Sirs

Promissory Note Drawdown Request

**[Promissory Note dated [] issued by DFID (“[PIDG Trust Reference]”)
[Promissory Note dated 21 December 2012 issued by DECC (the “DECC Promissory
Note”)] in favour of the Trustees of the PIDG Trust for Financial Support for the
Activities of Green Africa Power LLP**

Pursuant to [insert PIDG Trust reference for DFID Promissory Note] [the DECC Promissory
Note], we hereby demand for disbursement by [*insert Donor Disbursement Date*] (*delete as
appropriate*):

- (i) [[insert amount] for project [insert name of project] (the “Project”), which the
Management Board of GAP has confirmed in writing (see attached letter dated [insert
date]) meets the criteria set out in the GAP Investment Policy to its reasonable
satisfaction;] [and]
- (ii) [insert amount] to meet all or part of GAP’s liability for Contingent Termination
Payments.

We also attach:

- (i) the relevant Disbursement Allocation Record;
- (ii) management accounts for GAP for the previous Financial Quarter;
- (iii) evidence of GAP’s current cash balances [and GAP’s current pipeline of Relevant
Projects, highlighting any new Relevant Projects and the current status of all Relevant
Projects (e.g whether in due diligence phase; about to start due diligence; anticipated
financial close etc)]; [and]
- (iv) [a schedule of GAP’s current and estimated future Contingent Termination Payments].

We confirm that neither the PIDG Trust nor GAP holds sufficient available funding to meet
the amount of financing required.

Yours faithfully

For and on behalf of SG Hambros Trust Company Ltd
Representing The Private Infrastructure Development Group Trust

By:
Date:

For and on behalf of Green Africa Power LLP.

By:
Date:

ANNEXURE I

THE AMENDED AND RESTATED GAP LLP AGREEMENT

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 Members;
- 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 Board of Directors or the Manager would be asked to prepare the relevant treasury policy documentation which would be approved by the Board. The Board would, or would ensure that the Manager would, be responsible for day to day treasury management, seeking Board approval for transactions outside any delegated authority of the Manager. The Manager 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 set 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 – 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)	(if 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)	(if 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:
Financial management	Interest rate risk	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	<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	Foreign exchange risk falls into two key areas: transaction exposure and balance sheet exposure. Policies should be adopted for each area	<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	This policy will seek to determine the strategy for long-term funding of the Fund	<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	This policy should define how counterparty risk (i.e. risk of counterparty failure resulting in financial loss) is measured and counterparties are selected	<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	This policy should define how concentration/correlation risk (i.e. risk of geographic, industry) is measured and how much is acceptable given the objectives of the Fund	<ul style="list-style-type: none"> • Objectives • Monitor total exposures • Agree to retain or hedge exposure
	Political / national risk	This policy should assess the financial risk associated with investments made to particular jurisdictions, and would work in conjunction with the Fund investment policy	<ul style="list-style-type: none"> • Objectives • Limits for each jurisdiction and criteria • Monitoring of exposures • Monitoring of individual investments in high risk jurisdictions • Procedures in the event of a change in risk of a counterparty
	Capital management	Given the reliance upon capital commitments from donors, this policy is intended to ensure that commitments are monitored and followed up so that outgoing financial commitments are matched by incoming commitments	<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 donor procedures for releasing capital are understood