

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

1 DEFINITIONS

“Additionality” means the value which PIDG Ltd and / or PIDG Companies bring to a transaction or project that was not brought by others and may relate to finance, policy, design, standards or enhanced impact.

“Approved Delegation of Authorities” means the documents setting out the authorities delegated by the Board of each PIDG Company to PIDG Ltd pursuant to the PIDG Reorganisation Agreement.

“Committee” means the ‘Investment Committee’, a committee of the PIDG Ltd Board whose principal (but not only) role is to provide approvals and determinations for Investment Opportunities, Divestment Opportunities and the Portfolio in regard to the PIDG Companies in accordance with these Terms of Reference.

“Committee Chair” means any person appointed by the PIDG Ltd Board as the chair of the Committee from time to time.

“DevCo” means the Infrastructure Development Collaboration Partnership Fund of the International Finance Corporation with number TF073301.

“Developer” means any developer appointed by a PIDG Company.

“Divestment Opportunity” means a divestment opportunity which complies with the Unified Investment Policy.

“HSES” means health, safety, environment and social.

“HSES Risk” means health, safety, environment and social risk.

“IAfi” means InfraCo Africa Investment Limited, a PIDG Company.

“IAfD” means InfraCo Africa Limited, a PIDG Company.

“IAsD” means InfraCo Asia Development Pte. Ltd., a PIDG Company.

“IASI” means InfraCo Asia Investments Pte. Ltd., a PIDG Company.

“InfraCo Asia” means IAsD and IASi, as applicable.

“Investment Opportunity” means an investment opportunity which complies with the Unified Investment Policy.

“Member” means a member of the Committee (including the Committee Chair).

“PIDG Company” means each of The Emerging Africa Infrastructure Fund Limited (“EAIF”), GuarantCo Limited (“GuarantCo”), IAfD, IAfi, IAsD or IASi (together the **“PIDG Companies”**).

“PIDG Company Board” means, as applicable, the board(s) of directors of a PIDG Company.

“PIDG Company CEO” means the chief executive officer of a PIDG Company.

“PIDG Company Executive Team” means the internal executive management team (or equivalent) of a PIDG Company (if applicable), including the PIDG Company Executive Committee if applicable.

“PIDG Company Executive Committee” means the internal executive committee of a PIDG Company to whom

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

the PIDG Company Board has delegated the screening, verification, oversight and supervision of Investment Opportunities, Divestment Opportunities and the Portfolio.

“PIDG Company Executive Committee ToR” means the terms of reference pertaining to the PIDG Company Executive Committee.

“PIDG Group” means the Private Infrastructure Development Group, which for the purposes of these terms of reference shall consist of PIDG Ltd, Green Africa Power LLP, ICF Debt Pool LLP, TAF, DevCo and the PIDG Companies.

“PIDG Ltd Board” means the board of directors of PIDG Ltd.

“PIDG Ltd Executive Team” means the executive management team of PIDG Ltd.

“PIDG Ltd” means The Private Infrastructure Development Group Limited.

“PIDG Owners” means DFID, Sida, SECO, DGIS, IFC, DFAT, KfW, and MFA, each of which has signed and acceded to the 2013 PIDG Memorandum of Understanding and any other organisation or entity that signs and accedes to the 2013 PIDG Memorandum of Understanding (or subsequent agreement) from time to time.

“PIDG Reorganisation Agreement” means the reorganisation agreement dated 19 July 2018 entered into by, amongst others, the PIDG Owners and the PIDG Companies.

“PIDG Trust” means the Private Infrastructure Development Group Trust, the shareholder of PIDG Ltd and the PIDG Companies.

“Portfolio” means the portfolio of investments (or equivalent) of a PIDG Company.

“Secretary” means any person appointed as secretary of the Committee in accordance with these Terms of Reference.

“Service Level Agreement” means the agreement entered into between PIDG Companies for the provision of services by one PIDG Company to another PIDG Company.

“TAF” means the technical assistance facility of the PIDG held by the PIDG Trust.

“ToR” means Terms of Reference.

“Unified Investment Policy” means the investment policy for the PIDG Companies approved by PIDG Ltd and the PIDG Owners from time to time.

2 CONSTITUTION

2.1 In line with the PIDG Reorganisation Agreement, the boards of the PIDG Companies have delegated certain activities to PIDG Ltd and its committees (including the Committee), whereby PIDG Ltd shall have overall responsibility for the PIDG Group and each of the PIDG Companies.

2.2 Each PIDG Company undertaking investment activities has, acting through the relevant PIDG Company Board, in consultation with the PIDG Ltd Board and the Committee, delegated the

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

following functions to:

- 2.2.1 the PIDG Company Executive Committee (or the executive committee of another PIDG Company) - screening, verification, oversight and supervision over new Investment Opportunities and new Divestment Opportunities and the Portfolio, and to approve such matters for presentation to the Committee for review and approval, in line with the PIDG Company Executive Committee ToR (or equivalent) and the Approved Delegation of Authorities; and
- 2.2.2 PIDG Ltd and its committees - approvals and determinations for Investment Opportunities, Divestment Opportunities and the Portfolio for each PIDG Company in accordance with these Terms of Reference.
- 2.3 The Committee is constituted as a committee of PIDG Ltd in accordance with its articles of association.
- 2.4 Aside from the above delegations, the directors of each PIDG Company have a continuing duty to adequately supervise the discharge of the delegated functions in line with the local law requirements of the jurisdiction it is registered. In order to assist the directors of each PIDG Company in fulfilling their responsibilities:
 - (a) The Chair of each PIDG Company shall be a member of the PIDG Ltd Board; and
 - (b) Each PIDG Company Board shall receive information regarding the activities and the matters authorised by the Committee.

3 ROLE

- 3.1 The role of the Committee is to assist the PIDG Ltd Board in:
 - 3.1.1 Developing the non-credit investment and divestment strategy for the PIDG Group.
 - 3.1.2 Responsible oversight, monitoring and, where required, guidance of the investment and divestment performance of each applicable Portfolio (including financial impact) and governance.
 - 3.1.3 Review and approval of investment and divestment proposals in accordance with the Unified Investment Policy.
- 3.2 The Committee shall also:
 - 3.2.1 Work and coordinate with:
 - (a) The other committees of the PIDG Ltd Board, and the PIDG Group to endeavour to achieve a fully integrated organisation, including good information flows between the PIDG Companies on investment opportunities, market information and risk issues;

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

- (b) The relevant PIDG Company Executive Committee (or equivalent) and the relevant PIDG Company Executive Team (or equivalent) to consider and analyse Investment Opportunities and Divestment Opportunities and the performance of the Portfolio, recognising the requirement for any investment by a PIDG Company in Investment Opportunities developed by any other PIDG Company to be on arm's-length terms; and
 - (c) The other committees of PIDG Ltd (including Audit, Risk, Credit and HSES) and the PIDG Ltd Executive Team as required in relation to oversight and monitoring of investment and development risk, including market risk, regulatory risk and HSES Risk.
- 3.2.2 Advise, in conjunction with the other committees of PIDG Ltd and the PIDG Ltd Executive Team, the PIDG Ltd Board and the relevant PIDG Company Board from an investment risk perspective on any issues relating to the PIDG Group's Asia and/or Africa investment strategy and/or Portfolio.
- 3.2.3 When carrying out its functions under 3.1.3 above, the Committee shall consider whether a potential or actual conflict of interest exists and the Committee shall assess what measures and controls should be put in place to manage any such actual or potential conflict and whether additional measures and controls are required for the Committee to give its approval for the investment or divestment proposal.
- 3.3 Through its investment financing the PIDG Group seeks to achieve appropriate, risk-adjusted returns as well as developmental and transformational impact. The Committee shall have regard to these objectives and the current strategy of the PIDG Group in performing its role, in particular when considering which Investment Opportunities and Divestment Opportunities to approve.

4 SCOPE

- 4.1 PIDG Ltd will have two committees which will be responsible for its investment activity, to be known as the "Credit Committee" and the "Investment Committee" (i.e. the Committee).
- 4.2 The Committee's scope will include the review and approval of non-credit investment activities or equivalent of the PIDG Group in Asia and Africa (to the extent not delegated to a PIDG Company Executive Committee (or equivalent)).

5 COMPOSITION AND APPOINTMENT OF MEMBERSHIP

- 5.1 Appointment and Term
 - 5.1.1 The PIDG Ltd Board shall appoint the Committee Chair and, in consultation with the Committee Chair, the other Members of the Committee.
 - 5.1.2 The Committee Chair and each Member shall serve for a term of three years or, in the case of vacancies, such other time period determined by the PIDG Ltd Board.

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

5.1.3 The Committee Chair and Members shall serve at the discretion of the PIDG Ltd Board.

5.2 Invited Participants

5.2.1 The Committee Chair may invite directors of PIDG Limited, any PIDG Company Board, members of any committee of PIDG Ltd, any member of a PIDG Company Executive Team (or equivalent) and/or any member of the PIDG Ltd Executive Team to attend and participate at meetings of the Committee.

5.2.2 Prior to being invited as an ad-hoc additional Member pursuant to paragraph 5.2.1 of these ToR for a particular matter, the Committee Chair must determine that such individual(s) does not have a conflict of interest.

5.3 Conflict of Interest

5.3.1 It shall be each Member's responsibility to disclose to the Committee Chair (with a copy to the relevant PIDG Company Executive Committee and (if necessary) to the chair of the relevant PIDG Company Board) any interests which constitutes, in the Member's reasonable opinion, an actual or perceived conflict of interest they may absent themselves from voting.

5.3.2 If the Committee Chair decides (after consultation with other Members, the relevant PIDG Company Executive Committee and the chair of the relevant PIDG Company Board) that a Member has an actual or perceived conflict of interest, then the Committee Chair may determine that the Member should be required to absent themselves from particular Committee business, that the Member shall be prevented from being provided or from accessing relevant information and/or that a recommendation should be made to the PIDG Ltd Board that the Member be removed from the Committee. Any decision of the Committee Chair (and/or of the PIDG Ltd Board) in this regard shall be final and binding.

5.3.3 If the Committee Chair in their reasonable opinion, has an actual or perceived conflict of interest, then they shall be responsible for disclosing this to the Committee, the relevant PIDG Company Executive Committee and to the PIDG Ltd Board. If the PIDG Ltd Board decides that the Committee Chair has an actual or perceived conflict of interest, then it may request that the Committee Chair absent themselves from particular Committee business, that the Committee Chair shall be prevented from being provided or from accessing relevant information or they may be removed as a Member. Any decision of the PIDG Ltd Board in this regard shall be final and binding.

5.4 Independence of the Committee

5.4.1 Each Member shall act independently, impartially and shall not be representative of, and shall act without undue regard to, the particular interests of any particular body, person or class of persons.

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

5.5 Committee Chair

5.5.1 The Committee Chair (or in Committee Chair's absence, their designee drawn from the other Members) shall preside at all meetings of the Committee and perform any duties as may be assigned by the PIDG Ltd Board. The Committee Chair shall also be responsible for ensuring that key actions taken, and significant matters discussed by the Committee are reported to the PIDG Ltd Board and the relevant PIDG Company Board on a regular basis.

5.6 Committee Resources

5.6.1 The PIDG Ltd Board shall ensure that the Committee has adequate resources and authority to discharge its responsibilities.

5.7 Expenses

5.7.1 PIDG Ltd shall provide appropriate funding for the Committee to obtain advice and assistance from internal or external legal, accounting, or other advisors at PIDG Ltd's expense, without the prior approval of the PIDG Ltd Board up to a maximum cost of GBP10,000 (or equivalent).

5.8 Skills, Experience and Training

5.8.1 All Members should be suitably qualified by training and / or experience.

5.8.2 PIDG Ltd will provide a tailored induction programme for all new Members.

5.8.3 PIDG Ltd will provide training to Members on an ongoing and timely basis.

5.9 Succession Planning

5.9.1 The Committee Chair shall be responsible for advising the Nomination Committee on succession planning and the replacement, induction and training of Members in the case of vacancies.

5.10 Performance

5.10.1 The PIDG Ltd Board shall be responsible for the evaluation of the Committee Chair and of the Committee as a whole.

5.10.2 The Committee Chair shall be responsible for the evaluation of the Members and shall be responsible for advising the PIDG Ltd Board on the same.

5.10.3 The Committee shall, at least annually, review its Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the PIDG Ltd Board.

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

6 DUTIES AND TERMS OF REFERENCE

6.1 Investment and Divestment Strategy

6.1.1 The Committee shall:

- (a) Assist the PIDG Ltd Board in setting, guiding and overseeing implementation of the non-credit investment and divestment strategy for the PIDG Group;
- (b) Assist the PIDG Ltd Board to achieve the PIDG Group's strategic objectives for non-credit activities and advise on how best to balance short, medium and long-term investment, divestment and development objectives (including financial and transformational impact and governance objectives);
- (c) Recommend non-credit investment, divestment and development approaches to the PIDG Ltd Board;
- (d) Recommend any changes required to the PIDG Group's non-credit business model(s) to support the creation of financial, economic and developmental impact value in the short, medium and long term;
- (e) Advise the PIDG Ltd Board on the appropriate level of non-credit investment and divestment risk to be taken consistent with meeting the PIDG Group's strategic objectives;
- (f) Take into account the Additionality of the investments submitted to the Committee;
- (g) Take into account the impact of Investment Opportunities, Divestment Opportunities and PIDG Company projects; and
- (h) Review the Unified Investment Policy and recommend any necessary changes as they relate to the PIDG Group's non-credit activities to the PIDG Ltd Board, on an ongoing basis.

6.2 Monitoring Investment Performance and Governance

6.2.1 The Committee shall:

- (a) Review the overarching principles of the non-credit investment, divestment and development mandates of InfraCo Asia and InfraCo Africa and any other PIDG Company;
- (b) Review the progress and performance of each Investment Opportunity and Divestment Opportunity that has been approved for investment by InfraCo Asia and/or InfraCo Africa and any other PIDG Company;
- (c) Review the Additionality and ex ante development and transformational impact of the PIDG Group's non-credit investment activity;
- (d) Monitor, in consultation with the other committees of PIDG Ltd and the PIDG Ltd Executive Team, as applicable, the use of and requirements for capital by InfraCo Asia and/or InfraCo Africa and any other PIDG Company to ensure that the funding and expenditure needs of the relevant PIDG Company and its projects are adequate and are met, and that capital is optimally

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

- allocated and procured and/or reserved to meet any reasonably foreseeable funding and expenditure requirements, applicable regulatory and risk requirements and benchmarks;
- (e) Monitor and review the use of any funding commitments, collateral or other security arrangements in respect of credit risk exposures to third parties;
 - (f) Working with the relevant PIDG Company Executive Team and the PIDG Ltd Executive Team advise the PIDG Ltd Board on the appropriate quantitative and qualitative information to use in assessing the PIDG Group's non-credit investment, divestment and development performance over time; and
 - (g) Working with the PIDG Ltd Executive Team and the relevant PIDG Company Executive Team (and/or the executive team of any other PIDG Company if applicable) contribute to monitoring the capacity and performance of the PIDG Group's non-credit investment staff and Developers and advise the PIDG Ltd Board on how to improve such capacity and performance).
- 6.2.2 Working with the PIDG Ltd Executive Team and the relevant PIDG Company Executive Team, design and stipulate the form and items to be reported upon in relation to Investment Opportunities, Divestment Opportunities and the Portfolio.
- 6.2.3 Where the Committee is not satisfied with any aspect of the proposed investment or divestment reporting by the relevant PIDG Company it shall report its views to the PIDG Ltd Board.
- 6.3 Monitoring Investment Risk, including Market Risk and HSES Risk
- 6.3.1 The Committee shall, in conjunction with the other committees of PIDG Ltd and the PIDG Ltd Executive Team, as applicable:
- (a) Advise the PIDG Ltd Board on the non-credit investment, divestment and Portfolio risk, including market risk, financial risk, regulatory risk, governance risk and HSES Risk and mitigation strategies;
 - (b) Consult with the other committees of PIDG Ltd, the PIDG Company Board, the PIDG Ltd Executive Team and the PIDG Company Executive Team, as applicable, on non-credit investment, divestment and Portfolio risk issues; and
 - (c) Contribute to the development and implementation of the PIDG Group's internal control principles and risk management systems.
- 6.4 Investment and Divestment Decision Making
- 6.4.1 Any determination of the Committee made in respect of any matter for which it is empowered under these ToR or the Approved Delegation of Authorities shall be considered as final and binding and no such decision shall be referred for the purposes of an appeal or otherwise to the PIDG Ltd Board).

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

6.4.2 The Committee shall:

- (a) Review, evaluate and consider whether to approve Investment Opportunities, Divestment Opportunities and Portfolio matters, subject to working in conjunction with the relevant PIDG Company Executive Committee/Team (or equivalent) on such matters pursuant to the relevant PIDG Company Executive Committee ToR (where applicable);
- (b) Review, evaluate and consider any recommendations and/or concerns raised by the PIDG Ltd Board, other committees of PIDG Ltd, PIDG Ltd Executive Team, the relevant PIDG Company Board and/or the relevant PIDG Company Executive Team in relation to decisions made in respect of Investment Opportunities, Divestment Opportunities and/or the Portfolio;
- (c) Review, evaluate and consider recommendations and/or concerns by the relevant PIDG Company Executive Team (or equivalent), relevant PIDG Company Board and/or other committees of PIDG Ltd in respect of winding-down and/or impairment;
- (d) Be accountable for all decisions on Investment Opportunities, Divestment Opportunities and management of the Portfolio, including decisions in relation to divestment, winding-down and the recommendation of any impairment together with rationale (having duly reviewed, evaluated and considered as contemplated above);
- (e) Monitor and advise the PIDG Ltd Board and the relevant PIDG Company Board on any recommended changes required to these Terms of Reference, the Approved Delegation of Authorities, the relevant PIDG Company Executive Committee ToR and/or in relation to new and/or previously approved Investment Opportunities, Divestment Opportunities and Portfolio matters;
- (f) Seek approval from the PIDG Ltd Board of any proposed deviations from the Unified Investment Policy; and
- (g) Review and monitor the measures and controls that have been put in place by a PIDG Company for managing actual or potential conflicts of interest with other PIDG Companies (or internally if applicable), in particular in relation to Investment Opportunities that one PIDG Company is recommending to the Committee as an investment of another PIDG Company under a Service Level Agreement. The Committee shall request additional measures and controls where it deems necessary.

7 REMUNERATION

7.1 The remuneration of the Members shall be determined and made by PIDG Ltd.

8 DELEGATION

8.1 The Committee may sub-delegate its authority as it sees fit to subcommittees of the Committee, or to a PIDG Company CEO, PIDG Company Executive Committee and/or a PIDG Company Executive Team, subject to the approval of the PIDG Ltd Board and provided that

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

the relevant PIDG Company Board does not object to such delegation.

8.2 The Committee may:

8.2.1 Delegate the decision to approve any changes to the Portfolio in accordance with the Approved Delegation of Authorities.

8.2.2 Delegate the responsibility to evaluate and consider whether to approve any Investment Opportunity in accordance with the Approved Delegation of Authorities.

9 MEETINGS

9.1 Quorum

9.1.1 The quorum necessary for the transaction of business shall be three Members with voting powers.

9.1.2 Any Committee meeting at which a quorum is not in attendance after a period of one (1) hour of its commencement shall be adjourned and re-scheduled. The Secretary shall give notice of such adjourned hearing and re-schedule as requested by the Committee Chair.

9.2 Frequency

9.2.1 The Committee shall meet at least quarterly and otherwise as required.

9.3 Telephone Conference and/ or Video Conference Meetings

9.3.1 A meeting of the Committee may be validly held by telephone or video conference call (or such other similar means) or by correspondence.

9.4 Voting

9.4.1 Each Member entitled to vote shall have one vote.

9.4.2 In the case of equal votes in favour and against a proposal resulting in a resolution not being able to be made, the Committee Chair shall have a casting vote (in addition to their vote under paragraph 9.4.1).

9.5 Notice of Meetings

9.5.1 Meetings of the Committee shall be convened by the Secretary.

9.5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting, together with the meeting papers shall be forwarded to each Member and any other person required to attend, no later than five working days before the date of the meeting unless it relates to an urgent issue.

9.5.3 A scheduled meeting of the Committee may be cancelled if for any reason, the Committee Chair determines that there is no business for the meeting to be conducted, or it is otherwise appropriate that the meeting should be cancelled and

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

requests the Secretary to arrange such cancellation.

9.6 Minutes of Meetings

9.6.1 The Secretary or any designee of the Committee Chair shall maintain minutes and other relevant records of the meetings and activities of the Committee.

9.6.2 Draft minutes of the Committee meetings shall be agreed with the Chair and circulated promptly to all Members. Once approved the minutes shall be made available to the PIDG Ltd Board, the relevant PIDG Company Board and other committees of PIDG Ltd unless it would be inappropriate to do so in the view of the Chair.

9.6.3 Final signed copies of the minutes of the meetings of the Committee shall be maintained for PIDG Ltd's records.

10 REPORTING RESPONSIBILITIES

10.1 The Committee Chair shall report on its proceedings after each meeting (pursuant to paragraph 2.4) to the relevant PIDG Company Board (and/or the board of any other PIDG Company if applicable) and quarterly to the PIDG Ltd Board.

10.2 The Committee's reporting shall be on all matters within its duties and responsibilities and how the Committee has discharged its responsibilities.

10.3 The Committee's reporting shall include:

10.3.1 A summary of decisions made by the Committee during the relevant period.

10.3.2 A summary of the progress and performance of each Investment Opportunity that has been approved for investment by a PIDG Company.

10.3.3 A summary of any deviations by a PIDG Company from the Unified Investment Policy during the relevant period.

10.3.4 The extent to which the PIDG Group is achieving its non-credit investment objectives including financial, Additionality and ex ante development, transformational impact and governance objectives for the relevant period.

10.3.5 Any matters that substantially affect the PIDG Group's ability to meet its non-credit objectives over the relevant period.

10.3.6 Any specific risks and opportunities that affect the PIDG Group's ability to meet its non-credit investment objectives over time (i.e. over the short, medium and long-term); and recommendations on how the PIDG Group should deal with them;

10.3.7 Any challenges and uncertainties the PIDG Group is likely to encounter in pursuing its non-credit strategy, and the potential implications for its business model and future performance.

The Private Infrastructure Development Group Ltd

Terms of Reference for the Investment Committee

Approved on 24 January 2020

- 10.3.8 Providing its views on the capital, investment and/or expenditure requirements in relation to the Portfolio and the pipeline of non-credit Investment Opportunities and Divestment Opportunities.
- 10.3.9 Identification of lessons learned from past experiences that are useful in determining the future non-credit strategic direction of the PIDG Group;
- 10.3.10 Identification of material matters relating to the Asia and Africa investment activity of the PIDG Group that should be reported to PIDG Owners in the PIDG's annual report (or equivalent document).
- 10.3.11 Identification of material matters that should be reported to the PIDG Ltd Board.
- 10.3.12 Any other issues on which the PIDG Ltd Board has requested the Committee's opinion.
- 10.4 The Committee shall make recommendations to the PIDG Ltd Board, the other committees of PIDG Ltd and each PIDG Company Board that it deems appropriate on any area within its remit where action or improvement is needed.