Execution Copy

GUARANTCO LTD

AMENDED AND RESTATED FUNDERS' AGREEMENT

AN AMENDED AND RESTATED AGREEMENT BETWEEN GUARANTCO LTD AND ITS FUNDERS AND SHAREHOLDERS IN RELATION TO THE FUNDING AND OPERATION OF GUARANTCO LTD

The original GuarantCo Funders' Agreement between the GuarantCo Donors dated 23 November 2006 is hereby amended and restated on the 10th day of October 2014 between GuarantCo Ltd and its funders and shareholders (the "Agreement") and 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**");
2. The Swedish Government, acting through the Swedish International Development Co-operation Agency ("**Sida**");
3. The Swiss State Secretariat for Economic Affairs of the Government of the Confederation of Switzerland ("**SECO**");
4. Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("**FMO**");

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

5. SG Hambros Trust Company Ltd, Multiconsult Trustees Ltd. and Minimax Ltd acting as trustees of the Private Infrastructure Development Group Trust (the "**PIDG Trust**");

(the PIDG Trust and FMO being hereinafter together referred to as the "**Shareholders**");

6. The Government of The Netherlands represented by the Directorate for Sustainable Economic Development – The Netherlands Minister for Development Co-operation ("**DGIS**"); and

7. GuarantCo Ltd, a limited liability company established under the laws of Mauritius with company number 58185, having its registered address at Level 10, Tower A, 1 CyberCity, Ebene, Mauritius ("**GuarantCo**").

WHEREAS:

(A) On 1 December 2001 SG Hambros Trust Company Ltd, Multiconsult Trustees Ltd (formerly known as MC Trust Ltd), and Minimax Ltd executed a declaration of trust for the establishment of the PIDG Trust, a purpose trust under Mauritian law, as amended by an Amended and Restated Declaration of Trust dated 14 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, Sida, DGIS and 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 Development Agency ("**ADA**") became a member of the PIDG but subsequently withdrew from membership in 2014. By an Accession and Amendment Letter dated 20 November 2007 in relation to the Original Memorandum of Understanding, Irish Aid became a member of the PIDG. 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 ("**DFAT - Australian Aid Program**")) also 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 became a member of the PIDG.

(E) On 23 November 2006 the GuarantCo Donors, the PIDG Trust, DGIS and GuarantCo executed an agreement in relation to the funding and operation of GuarantCo, which has subsequently been amended by an Amendment No. 1 dated 30 June 2010, Amendment No.2 dated 23 August 2010 and Amendment No.3 dated June 2011 (the **"GuarantCo Funders' Agreement"**). Although it is not providing any funding directly for GuarantCo, DGIS is a party to the GuarantCo Funders' Agreement and this Agreement as DGIS' requested FMO to make share subscriptions in GuarantCo on its behalf, using funding DGIS had provided to FMO.

(F) A list of the Funding Instruments entered into by each GuarantCo Donor in respect of GuarantCo as at the date of this Agreement is set out in Schedule 4 (Funding Instruments).

(G) As at the date of this Agreement, the issued share capital of GuarantCo consists of 205,139,975 GuarantCo Shares, of which the PIDG Trust holds 171,139,975 (subscribed for pursuant to the PIDG Trust/GuarantCo Subscription Agreement (No.1), the PIDG Trust/GuarantCo Subscription Agreement (No.2), the PIDG Trust/GuarantCo Subscription Agreement (No.3), the PIDG Trust/GuarantCo Subscription Agreement (No.4) and the PIDG Trust / GuarantCo Subscription Agreement (No.5)) and FMO holds 34,000,000.00 (subscribed for pursuant to the FMO/GuarantCo Subscription Agreement No.1 and the FMO/GuarantCo Subscription Agreement No.2).

(H) By a Letter of Arrangement dated 12 March 2012 (as amended on 6 June 2014) DFID agreed to increase its Commitment from GBP 27,650,000 (which had been provided under the DFID Grant Arrangement (No. 1), the DFID Grant Arrangement (No. 2) and the DFID Grant Arrangement (No. 3))to GBP 137, 650,000 by the provision of a grant to the PIDG Trust to support the operations of GuarantCo of up to GBP 110,000,000 (the **"DFID Grant Arrangement (No.4)"**), to be drawn during the period ending on 31 March 2015.

(I) By a Letter of Arrangement dated 5 December 2012 (the **"SECO Grant (No.2) Agreement"**), SECO has agreed to increase its Commitment from US$17,000,000

(which has been provided under the SECO Conditional Loan Agreement and the SECO Grant (No.1) Arrangement) to US$35,000,000, by the provision of a grant to the PIDG Trust to support the operations of GuarantCo of up to US$18,000,000, to be drawn during the period ending on 31 December 2016.

(J) The parties to the GuarantCo Funders' Agreement have unanimously consented to the increase in the Commitments of DFID and SECO and the consequential and other amendments to the Agreement, all as set out in this Agreement and in accordance with Clauses 5.1 and 13.6 of the GuarantCo Funders' Agreement (as defined in Recital E above).

(K) Pursuant to a subscription agreement between GuarantCo, the PIDG Trust and FMO dated on or about the date of this Agreement (the "**PIDG Trust/GuarantCo Subscription Agreement (No.6)**"), the PIDG Trust agrees to subscribe for up to US Dollar 13,500,000 and the US Dollar equivalent of GBP 52,500,000 new shares of no par value in GuarantCo using funding provided under the SECO Grant (No.2) Agreement and the DFID Grant Arrangement (No.4) respectively.

(L) NOW, the parties to the GuarantCo Funders' Agreement wish to amend and restate the GuarantCo Funders' Agreement on the terms set out in this Agreement.

1. DEFINITIONS

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

"Additional GuarantCo Donor"	means any donor or lender who becomes a party to this Agreement by signing a letter of accession pursuant to Clause 11 of this Agreement;
"Available Commitment"	means the amount of each GuarantCo Donor's Commitment in any Financial Year, less any Contributions by that GuarantCo Donor in that Financial Year;
"Board of Directors"	means the board of directors of GuarantCo;
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are generally open for normal business in London and Mauritius;
"Business Plan and	means the five-year business plan and budget for

Budget"	GuarantCo prepared in accordance with IFRS approved by the Board of Directors and sent to the GuarantCo Donors via the PIDG Trust in accordance with the provisions of Clause 9.1(iv);
"Commitment"	means each GuarantCo Donor's commitment as set out in Schedule 1 to this Agreement (the Schedule of Commitments) to enable GuarantCo to fulfil its purpose;
"Contingent Termination Payment"	means any termination payment that GuarantCo would be required to pay as a result of GuarantCo terminating any contract as a result of a GuarantCo Donor's decision to amend, reduce or terminate funding under a Funding Instrument;
"Contribution"	means the amount of each Commitment disbursed from time to time to GuarantCo by each GuarantCo Donor through the PIDG Trust (where applicable) pursuant to this Agreement and the relevant Funding Instrument;
"Declaration of Trust"	has the meaning given to it in Recital (A);
"DFID Contestability Mechanism"	means the mechanism attached to the DFID Grant Arrangement (No.4) in accordance with which the Commitments of DFID for GuarantCo may be revised in line with the achievement by GuarantCo of the corresponding Pre-Agreed Targets;
"DFID Contestability Mechanism Event"	means the failure by GuarantCo to achieve its relevant Pre-Agreed Targets by the required percentage in respect of any Financial Year under the DFID Contestability Mechanism;
"DFID Grant Arrangements"	means the DFID Grant Arrangement (No.1), DFID Grant Arrangement (No.2), DFID Grant Arrangement (No.3) and DFID Grant Arrangement (No.4);
"DFID Grant	means the grant arrangement relating to a grant of up to

Arrangement (No.1)"	GBP 15,600,000 between DFID and the PIDG Trust dated 8 December 2003 for support to GuarantCo;
"DFID Grant Arrangement (No.2)"	means the grant arrangement dated 18 March 2010 as amended by an amendment dated 20 August 2010 relating to a grant of up to GBP 6,050,000 between DFID and the PIDG Trust for support to GuarantCo;
"DFID Grant Arrangement (No.3)"	means the grant arrangement dated 16 March 2011 relating to a grant of up to GBP 6,000,000 between DFID and the PIDG Trust for support to GuarantCo;
"DFID Grant Arrangement (No.4)"	means the grant arrangement dated 12 March 2012 (as amended on 6 June 2014) relating to (*inter alia*) a grant of up to GBP 110,000,000 from DFID to the PIDG Trust to support the operations of GuarantCo;
"Disbursement"	has the meaning given to it in Clause 4.1.1;
"Disbursement Documents"	has the meaning given to it in Clause 4.1.1;
"Disbursement Request"	has the meaning given to it in Clause 4.2;
"Dispute"	has the meaning given to it in Clause 13.1;
"Donor Disbursement Date"	has the meaning given to it in Clause 4.2;
"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 GuarantCo Donor pursuant to its Funding Instrument;
"Financial Year"	means 1 January to 31 December in each year (or such other period as may be approved by GuarantCo with the prior written consent of the GuarantCo Donors);
"FMFML"	means Frontier Markets Fund Managers Limited;

"FMO/GuarantCo Subscription Agreement"	means the subscription agreement between FMO, GuarantCo and the PIDG Trust dated 23 November 2006 by which FMO subscribed for up to 25,000,000 new shares of no par value in GuarantCo;
"FMO/GuarantCo Subscription Agreement (No.2)"	means the subscription agreement between GuarantCo, FMO and the PIDG Trust dated 29 September 2010 by which FMO subscribed for up to 9,000,000 new shares of no par value in GuarantCo;
"Funding Instrument"	means the funding instruments listed in Schedule 4 and any other instrument relating to the funding of GuarantCo entered into hereafter between a GuarantCo Donor and the PIDG Trust or GuarantCo;
"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;
"GuarantCo Constitution"	means the constitutional document of GuarantCo for the time being. A copy of the GuarantCo Constitution as at the date of this Agreement is attached as Annexure 1;
"GuarantCo Management Accounts"	means the unaudited financial statements of GuarantCo 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 GuarantCo investment, based on a valuation methodology which is consistent with that applied in GuarantCo's audited consolidated financial statements referred to in Clause 9.1(iv) and also including, if appropriate, information on liquidity management;

"GuarantCo Shares"	means the ordinary shares of no par value in the share capital of GuarantCo, having the rights and being subject to the restrictions set out in the GuarantCo Constitution;
"Guarantee Policy"	means the Guarantee Policy and Operational Guidelines adopted by GuarantCo as amended from time to time;
"IFRS"	means the International Financial Reporting Standards issued by the International Accounting Standards Board, as amended from time to time;
"Management Agreement"	means the Management Advisory and Support Services Agreement entered into between GuarantCo and the Manager, as amended from time to time;
"Manager"	means the manager of GuarantCo from time to time as appointed by GuarantCo with the approval of the GuarantCo Donors (currently being FMFML, appointed pursuant to the Management Agreement);
"Missed Commitment"	has the meaning given to it in Clause 8.4;
"Needs"	means the commercial requirements of GuarantCo to maintain a stable and commercially sound business model, and (ii) GuarantCo's operating costs (over the following 3 months), which shall include the following financial contractual obligations: • third party management team fees and expenses (internal and external) • auditors'/accountants' fees and expenses • regulatory and other charges (for example Mauritius Registrar of Companies and Mauritius Financial Services Commission Fees) • legal and other third party advisors (including due diligence costs)

- Directors' fees and expenses
- Office rental/utilities
- Contingent Termination Payments
- and other financial costs that are mutually agreed;

"Needs Letter"	has the meaning given to it in Clause 4.1.1;
"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 Constitution"	has the meaning given to it in Recital (D);
"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 GuarantCo;
"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 Anti-corruption and Integrity Policy and Procedures, the PIDG Disclosure Policy and Procedures, the PIDG Appointment and Evaluation of Directors Policy and Procedures, the PIDG Remuneration 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 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;

"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 to time;

"PIDG Trust/GuarantCo Subscription Agreement (No.1)" means the subscription agreement dated 17 October 2005 between GuarantCo and the PIDG Trust by which the PIDG Trust subscribed for 24,554,140 shares of no par value in GuarantCo;

"PIDG Trust/GuarantCo Subscription Agreement (No.2)" means the subscription agreement dated 23 November 2006 between GuarantCo and the PIDG Trust by which the PIDG Trust subscribed for 23,000,000 shares of no par value in GuarantCo;

"PIDG Trust/GuarantCo Subscription Agreement (No.3)" means the subscription agreement dated 20 April 2010 between GuarantCo, the PIDG Trust and FMO (as amended) by which the PIDG Trust agreed to subscribe for up to 17,637,360 new shares of no par value in GuarantCo plus such new shares of no par value in GuarantCo as resulted from a subscription by the PIDG Trust of the US$ equivalent of GBP 250,000 pursuant to the SECO Grant (No.2) Agreement and the DFID Grant Arrangement (No.2);

"PIDG Trust/GuarantCo Subscription Agreement (No.4)" means the subscription agreement dated 17 June 2011, between GuarantCo, the PIDG Trust and FMO by which the PIDG Trust subscribed for up to 9,600,000 new shares of no par value in GuarantCo;

"PIDG Trust/GuarantCo Subscription Agreement (No.5)"	means the subscription agreement dated May 2013 (as amended) between GuarantCo, the PIDG Trust and FMO by which the PIDG Trust subscribed for up to the value of US$ 20,611,000 and the US dollar equivalent of GBP 25,000,000 new shares of no par value in GuarantCo;
"PIDG Trust / GuarantCo Subscription Agreement (No.6)"	means the subscription agreement dated on or about the date of this Agreement, between GuarantCo, the PIDG Trust and FMO by which the PIDG Trust agrees to subscribe for up to the value of USD 13,500,000 and the US dollar equivalent of GBP 52,500,000 new shares of no par value in GuarantCo;
"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 9.1(v) below;
"PIDG Trust/FMO Subscription Date"	has the meaning given to it in Clause 4.1.
"Pre-Agreed Targets"	means such weighted development impact targets as shall be set by the GuarantCo Donors for GuarantCo in its logical framework in respect of each Financial Year and as shall be approved by the GuarantCo Donors in each case in accordance with the relevant provisions of the PIDG Results Monitoring Handbook;
"Proceeds"	means all dividends, interest, loan repayment or other monies received by the PIDG Trust or GuarantCo Donors, directly or indirectly from GuarantCo in respect of the GuarantCo Shares or any Subscription Agreement and all other proceeds in respect of or derived from such

	Subscription Agreements or the GuarantCo Shares (whether by way of redemption, bonus, preference, option, substitution, conversion or otherwise) and any monies to be received by the PIDG Trust or GuarantCo Donors in connection with any sale, liquidation, dissolution or winding up or similar action with respect to GuarantCo (and in each and every case referred to above, net of all actual and contingent liabilities, as reflected in the books of accounts of GuarantCo, and net of all taxes and withholdings);
"Project"	means any infrastructure or infrastructure-related company or asset which is supported by GuarantCo by way of a guarantee facility, in accordance with the Guarantee Policy;
"Quarter"	means each period of three months ending on 31 March, 30 June, 30 September and 31 December in each 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, 11 and/or the DFID Contestability Mechanism;
"SECO Arrangements"	means the SECO Conditional Loan Agreement; the SECO Grant (No.1) Agreement and the SECO Grant (No.2) Agreement;
"SECO Conditional Loan Agreement"	means the conditional loan agreement between SECO and the PIDG Trustin an amount of USD 8,000,000 between SECO and the PIDG Trust dated 23 November 2006 to support the operations of GuarantCo;
"SECO Grant (No.1) Agreement"	means the memorandum of understanding relating to a grant in an amount not exceeding USD 9,000,000 between SECO and the PIDG Trust dated 01 December 2009 to support the operations of GuarantCo;

"SECO Grant (No.2) Agreement"	means the letter of arrangement between SECO and the PIDG Trust dated 05 December 2012 relating to (*inter alia*) a grant of up to USD 18,000,000 from SECO to the PIDG Trust to support the operations of GuarantCo;
"Sida Conditional Loan Agreement"	means the conditional loan agreement between Sida and the PIDG Trust in a maximum amount of USD 15,000,000 dated on or about 23 November 2006 to support the operations of GuarantCo;
"Shareholders"	means the PIDG Trust and FMO;
"Subscription Agreement"	means each agreement for the subscription for GuarantCo Shares entered into from time to time between the PIDG Trust or GuarantCo Donor and GuarantCo, including (without limitation) the PIDG Trust/GuarantCo Subscription Agreement (No. 1), the PIDG Trust/GuarantCo Subscription Agreement (No. 2), the PIDG Trust/GuarantCo Subscription Agreement (No. 3), the PIDG Trust/GuarantCo Subscription Agreement (No. 4), the PIDG Trust/GuarantCo Subscription Agreement (No. 5), the FMO/GuarantCo Subscription Agreement and the FMO/GuarantCo Subscription Agreement (No. 2);
"Subscription Request"	has the meaning given to it in Clause 4.1.2;
"Term"	has the meaning given to it in Clause 10.1; and
"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 Limited, 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:

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

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

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

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

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

1.8 References to any English legal term for any action, remedy, method or judicial proceeding, legal document, legal status, court, official, or any legal concept or thing

shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term.

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

1.10 Where there is any inconsistency between the definitions set out in this Clause 1 and the definitions set out in any Clause or Schedule, then for the purposes of construing such Clause or Schedule, the definitions set out in such Clause or Schedule shall prevail.

1.11 The singular shall include the plural and vice versa and words importing the masculine shall include the feminine and neuter and vice versa.

1.12 The index and the headings in this Agreement do not affect its interpretation.

1.13 Any Schedule or Annexure to this Agreement shall take effect as if set out in this Agreement and references to this Agreement shall include its Schedules and Annexures.

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 Clauses 1.2 to 1.14 apply unless the contrary intention appears.

2. PURPOSE - VISION, MISSION AND ROLE OF GUARANTCO

2.1 The GuarantCo Donors declare that:

(i) GuarantCo's vision is to become a centre of excellence for local currency guarantees in low income countries, with emphasis on the least developed countries, thereby assisting with the alleviation of poverty;

(ii) GuarantCo's mission is to become a market-based recognised guarantee institution aimed at enhancing the availability and role of local currency finance for viable and sustainable infrastructure projects and at strengthening

developing country capital markets for the purposes of assisting with the alleviation of poverty;

(iii) GuarantCo's role is to (a) assist developing country clients to structure infrastructure transactions which contribute to poverty alleviation; (b) assist developing countries to overcome market failures demonstrated by the lack of competitively priced local currency debts with long term tenor; (c) assist local project lenders and investors including portfolio investors to assess credit risks in infrastructure projects by issuing local currency guarantees against a fee commensurate with risks involved in transactions made by guaranteed entities and thereby promoting the provision of capital to viable infrastructure projects; (d) build capacity through technical assistance for capital market development; and (e) develop infrastructure finance solutions in fragile and conflict-affected states through locally based institutions, where possible in local currency, but, where this is not feasible, hard currency solutions are permitted.

3. GUARANTCO'S CONSTITUTION AND OTHER IMPORTANT DOCUMENTS AND COVENANTS

3.1 GuarantCo undertakes to each of the GuarantCo 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 GuarantCo Constitution, the PIDG Code of Conduct, the Guarantee Policy and the PIDG Operating Policies and Procedures;

3.1.3 maintain at all times a firm of independent accountants acceptable to the GuarantCo Donors as auditors of GuarantCo;

3.1.4 provide the GuarantCo Donors and the PIDG Trust (via the PMU) with a copy of the Management Agreement (subject to the GuarantCo Donors keeping the Management Agreement confidential in accordance with Clause 9.3) and comply with the terms of the Management Agreement and procure that the Manager shall comply with its and GuarantCo's reporting obligations to the GuarantCo Donors;

3.1.5 obtain and maintain, all insurances as shall be usual for a business undertaking the activities undertaken by GuarantCo and such additional insurances as the GuarantCo Donors shall from time to time reasonably require (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 to GuarantCo or as otherwise required by the GuarantCo Donors;

3.1.7 procure 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 the Manager and GuarantCo 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 within six months of the date of this Agreement, 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 GuarantCo Donors and the PIDG Trust agree that they shall exercise all rights available to them to procure that GuarantCo shall not undertake any of the items set out in Part 1 of Schedule 3 without the unanimous consent of the GuarantCo Donors.

3.3 GuarantCo agrees that it shall not undertake any of the items set out in Part 2 of Schedule 3 without the unanimous consent of the GuarantCo Donors.

3.4 The Trustees of the PIDG Trust undertake:

3.4.1 to comply with the PIDG Code of Conduct and Operating Policies and Procedures, except that if the PIDG Donors adopt a policy and procedure relating to tax practices, the Trustees of the PIDG Trust will undertake to ensure that the PIDG Donors will consult with GuarantCo before adopting any tax policy and procedure;

3.4.2 not to change the accounting policy of the PIDG Trust without the consent of the PIDG Donors;

3.4.3 to retain or cause to be retained until at least 12 years after the GuarantCo 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 GuarantCo Donor's representatives to examine such records and accounts of the PIDG Trust;

3.4.4 without limitation to clause 3.4.3 above, furnish or cause to be furnished to the GuarantCo Donors any information reasonably requested by the GuarantCo Donors and allow representatives of the GuarantCo 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 GuarantCo shall request a Contribution in accordance with the terms and conditions set out in this Clause 4 by delivering to the PIDG PMU the following documents in a form satisfactory to the GuarantCo Donors no less than 30 Business Days before the date proposed by GuarantCo for subscription by the PIDG Trust (or where applicable FMO) of the Contribution pursuant to the relevant Subscription Agreement ("**the PIDG Trust/FMO Subscription Date**") in accordance with the process and timeframe described further in the diagram in Clause 4.2:

4.1.1 a letter in form and substance satisfactory to the GuarantCo Donors (the PIDG PMU being responsible for seeking the GuarantCo Donors' approval) setting out the Need for the amount requested (the **"Disbursement"**) together with the GuarantCo Management Accounts in respect of the immediately preceding Quarter(s) (the **"Needs Letter"**). The Needs Letter shall show how the previous disbursement was 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 Final Donor Disbursement Date of Commitments set out in Schedule 1 or the latest date of GuarantCo's financial contractual obligations, whichever shall be the later) which shall include:

- funding anticipated from the GuarantCo Donors identifying each GuarantCo Donor, Funding Instrument and whether committed or not;
- funding anticipated from other sources (e.g. investments, if applicable);
- material receipts from any other sources, e.g. asset sales;
- expected uses of funds including Project pipeline requirements, fees and expenses payable to the Manager and counter-guarantors and other requirements;
- overheads and facility corporate operating costs;
- expected opening and closing cash balances (together with evidence of GuarantCo's current cash balances);

(ii) a record of any funds from previous GuarantCo Donor disbursements to GuarantCo not committed (by way of contract) or spent by GuarantCo, which shall be deducted from the assessment of Need, if required by the relevant GuarantCo Donor;

(iii) the assumptions and risks behind the information provided;

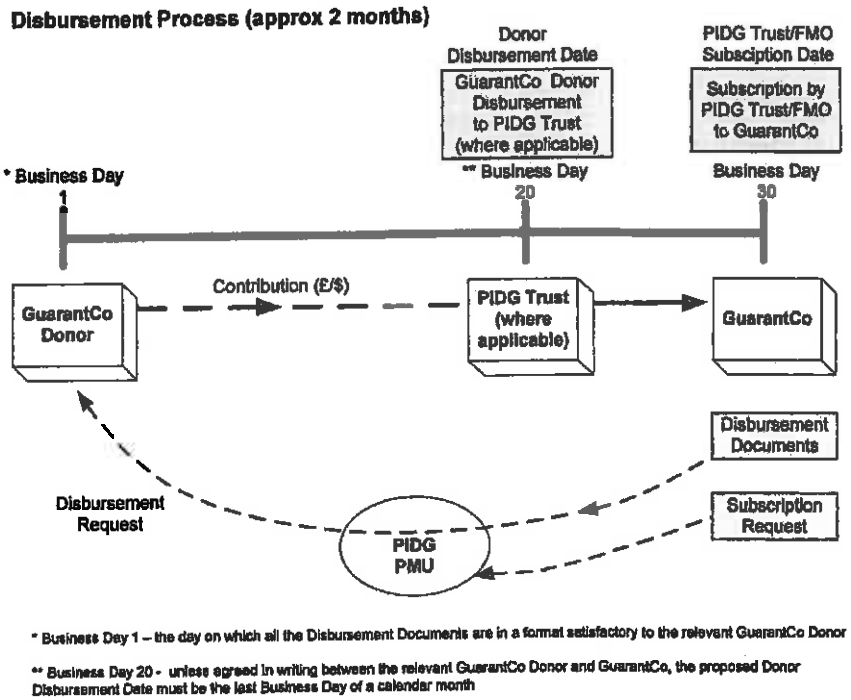
(the Needs Letter and the other documents provided by GuarantCo under this Clause 4.1.1 being the "**Disbursement Documents**"); and

4.1.2 a completed subscription request in accordance with the provisions of the relevant Subscription Agreement (the "**Subscription Request**"), in form and substance satisfactory to the PIDG PMU,

and upon receipt of the Disbursement Documents requested under Clause 4.1.1 above the PIDG PMU shall forward the Disbursement Documents to the relevant GuarantCo Donor for approval.

4.2 Upon receipt of (i) the Disbursement Documents in form and substance satisfactory to the relevant GuarantCo Donor, and (ii) the Subscription Request, the PIDG PMU will deliver to the relevant GuarantCo Donor a disbursement request substantially in the form set out in that GuarantCo Donor's Funding Instrument (a "**Disbursement Request**"), specifying the Disbursement and the Donor Disbursement Date (the date on which the GuarantCo Donor will disburse its Disbursement to the PIDG Trust) and each of the GuarantCo Donors commits, subject to the terms and conditions of the

Funding Instrument to which the relevant GuarantCo Donor is a party, to make its Commitment available to the PIDG Trust (or to GuarantCo as applicable) within 20 Business Days of receipt of the Disbursement Request (i.e. the Donor Disbursement Date) for the purpose of allowing the PIDG Trust/FMO to subscribe for GuarantCo Shares provided that no Commitment may be disbursed after the Final Donor Disbursement Date and provided that notwithstanding any other provision of this Agreement, any GuarantCo Donor (except for FMO) shall be entitled to consider whether or not it is willing to make the relevant Commitment available and shall have the sole and absolute right to not respond favourably to any Disbursement Request.



4.3 The Parties agree that any subscription by the PIDG Trust/FMO (as applicable) for GuarantCo Shares will be subject to the following conditions:

4.3.1 receipt by the PIDG Trust/FMO of a completed Subscription Request from GuarantCo (via the PIDG PMU);

4.3.2 receipt by the PIDG Trust of sufficient funds from the GuarantCo Donors under the relevant Funding Instruments to subscribe for the GuarantCo Shares as requested under the relevant Subscription Request; and

4.3.3 that the Disbursement is in GBP or US$ (as applicable) and does not, when aggregated with all of the previous Contributions of the relevant GuarantCo

Donor, exceed the Available Commitments for that GuarantCo Donor, including any Commitments rolled over under the provisions of Clause 4.6.

4.4 Subject to the satisfaction of the terms and conditions of this Agreement, any Funding Instrument and any Subscription Agreement, the PIDG Trust shall subscribe for GuarantCo Shares in order to give effect to the provisions of Clause 4.1 of this Agreement within 10 Business Days of the date on which the Contributions of the GuarantCo Donor are made available to the PIDG Trust.

4.5 Notwithstanding the provisions of this Clause 4, the PIDG Trust/FMO shall not be required to subscribe, directly or indirectly, for GuarantCo Shares in any Financial Year for an amount greater than the total for that Financial Year as set out in the Column headed "PIDG Trust" or "FMO" in Schedule 1 (where relevant, as amended further to this Clause 4 or otherwise) without the unanimous consent of the GuarantCo Donors and always subject to prior receipt by the PIDG Trust of the relevant GuarantCo Donor's Contribution to the PIDG Trust (where applicable) as set out in their respective Column in Schedule 1, as may be amended from time to time.

4.6 In the event that an amount drawn down by GuarantCo 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 (unless that shortfall is as a result of a DFID Contestability Mechanism Event), any amount remaining for that Financial Year may, only with the prior written consent of the relevant GuarantCo 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 GuarantCo Donor's Column and the Column headed "PIDG Trust" (where applicable) in Schedule 1 shall be amended accordingly.

4.7 No GuarantCo Donor can be required to increase its Commitment. The Parties acknowledge and agree that, subject to the unanimous approval of the GuarantCo Donors, a GuarantCo Donor may (in its absolute discretion) agree in writing to make available additional Commitments for any Financial Year in excess of its Commitment in accordance with the provisions of this Agreement (the amount of any such excess in respect of any GuarantCo Donor being the "Excess") and the PIDG Trust/FMO may meet requests for a Disbursement in such Financial Year from GuarantCo in respect of an amount equal to the aggregate of each such Excess.

4.8 The Parties acknowledge and agree that when the Excess is made available in accordance with the provisions of Clause 4.7, in respect of the immediately following

Financial Year: (i) the Available Commitment of each relevant GuarantCo Donor; and (ii) the amount set out in the column headed "PIDG Trust" (where applicable) in Schedule 1 may be reduced by an amount equal to the Excess (and to the extent that the Excess exceeds such sum, each succeeding Financial Year may be reduced accordingly).

4.9 Notwithstanding the provisions of this Clause 4, each GuarantCo Donor may (subject to its own policies and procedures), following consultation with the PIDG Trust (where applicable) but in its absolute discretion adopt the following alternative mechanism for disbursing its annual Commitment to the PIDG Trust (where applicable). At the start of each Financial Year, or as soon as practicable thereafter, each GuarantCo 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 GuarantCo Donor and only disburse the relevant annual Commitment to GuarantCo upon fulfilment of and in accordance with the conditions set out in Clauses 4.1.1 to 4.1.2 and 4.2 above. In the event that this alternative mechanism for disbursement is adopted by a GuarantCo Donor, then the interest earned by the PIDG Trust on the relevant Commitment held by the PIDG Trust pending disbursement to GuarantCo 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 GuarantCo Donor to General Administration Costs for the following year shall be adjusted accordingly to take account of such positive balance.

4.10 DFID Contestability Mechanism

4.10.1 The Parties acknowledge that the DFID Contestability Mechanism may result in a reduction to the annual Commitments of DFID by an amount of up to 5 per cent. of the annual Commitments of DFID, as set out in the DFID Grant Arrangement (No. 4). The process by which the amount of the Commitments of DFID may be reduced is as set out in the DFID Contestability Mechanism. In circumstances where GuarantCo has achieved all of its corresponding Pre-Agreed Targets (and no DFID Contestability Mechanism Event has occurred), GuarantCo may apply for additional funding for such Financial Year, in accordance with the provisions of the DFID Contestability Mechanism. If such application is approved by DFID in accordance with the provisions of

the DFID Contestability Mechanism and the other GuarantCo Donors, the Commitments of DFID for that Financial Year shall be revised in accordance with Clause 4.10.3.

4.10.2 If DFID concludes that a DFID Contestability Mechanism Event has occurred and reduces its Commitment for its corresponding funding years, in accordance with the provisions of the DFID Contestability Mechanism, it shall notify GuarantCo and the GuarantCo Donors of the occurrence of such DFID Contestability Mechanism Event and of any revised Commitment for its corresponding funding year by 30 April in each Financial Year.

4.10.3 In the event that the Commitments of DFID are revised up or down in accordance with the DFID Contestability Mechanism, the amounts set out in the columns headed "PIDG Trust" and "DFID" in Schedule 1 shall be amended accordingly and within 10 Business Days of any such increase or reduction, the PIDG Trust shall issue a revised Schedule 1 to the GuarantCo Donors and upon the GuarantCo Donors' written agreement to the revised Schedule 1, this Agreement shall be deemed to have been amended accordingly to include the revised Schedule 1.

4.10.4 For the avoidance of doubt, (i) any unmet Commitment by DFID arising as a consequence of the occurrence of a DFID Contestability Mechanism Event shall not be deemed to be a Missed Commitment and DFID shall not be deemed to have thereby defaulted on its obligations under this Agreement nor shall this be an event of default on the part of DFID as referred to in Clauses 8.2 and 8.3 of this Agreement, and the PIDG Trust shall not be deemed to be in breach of any of its commitments to subscribe for GuarantCo Shares in this Agreement or under any Subscription Agreement; and (ii) to the extent that any DFID Commitment is reduced as a consequence of the occurrence of a DFID Contestability Mechanism Event, then the amount of such reduction shall not (without the prior written approval of DFID) be carried over to any subsequent Financial Year and may be utilised by DFID for such other purpose as DFID, in its absolute discretion, sees fit.

4.11 The Parties acknowledge that the Commitments of SECO for each year under the SECO Arrangements may require (and be subject to and conditional upon) authorisation on an annual basis by the Federal Parliament of the Swiss Confederation. SECO has the right to terminate the SECO Arrangements on three (3) months' notice

in accordance with their terms.

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

4.13 Any GuarantCo Donor may change the amounts and/or timing of its Commitments in Schedule 1 with effect from three (3) months after proposing such a change to all of the GuarantCo Donors, the PIDG Trust and GuarantCo following which a revised Schedule of Commitments shall be agreed upon in writing by the GuarantCo Donors, whereupon Schedule 1 of this Agreement shall be deemed to have been amended accordingly, except that any change to the amount or timing of an FMO Commitment shall require the consent of the other GuarantCo Donors and GuarantCo.

5. GENERAL GOVERNANCE OF GUARANTCO

5.1 The Role of the Governing Council

Section 11 of the PIDG Constitution sets out how PIDG Donors monitor and manage the activities and investments of the PIDG Trust. The GuarantCo Donors agree that except as set out below in Clause 6.4 discussions and decisions in relation to GuarantCo between the GuarantCo Donors shall be taken through the Governing Council, which shall in relation to GuarantCo apply the decision making rules set forth under Clause 6 below.

5.2 FMO participation and representation in the Governing Council

(i) The PIDG Donors have unanimously agreed (as required by paragraph 10.2 of the PIDG Constitution) that FMO shall have the right to attend, participate in and vote at all PIDG meetings and meetings of the Governing Council concerning GuarantCo. For these purposes, FMO and DGIS shall jointly have the right to appoint one person to represent both of them and to exercise one vote on their joint behalf.

(ii) Each GuarantCo Donor shall disclose any commercial interest such GuarantCo Donor has in relation to the relevant investment decision before such investment decision is discussed, either orally or in writing, by the GuarantCo Donors; and

(iii) If the other GuarantCo Donors determine that the interest referred to in (ii) above will or could reasonably be expected to conflict with the interests of the PIDG Trust and/or GuarantCo, the GuarantCo Donor with the relevant conflict of interest shall not take part in any vote relating to such proposed investment.

5.3 Waiver of rights under the GuarantCo Constitution and Mauritian Law.

The Shareholders declare that rules under Section 11 of the PIDG Constitution and the provisions of this Agreement (in particular Clause 6 below) shall supersede the rules relating to Shareholders' meetings, participation, quorum, Shareholders' decision making and notices under the GuarantCo Constitution and/or Mauritian law (to the extent legally permitted) which rules may only be invoked in the event that any of the Shareholders acts in violation of a duly made decision of the GuarantCo Donors. Each of the GuarantCo Donors, the Shareholders and GuarantCo undertakes forthwith to take all reasonable steps to amend, waive or suspend the GuarantCo Constitution to the extent necessary to reflect the provisions of this Agreement. The aforesaid shall in no way (i) reduce the rights and obligations of the Board of Directors of GuarantCo to administer GuarantCo or (ii) impose any obligation on the GuarantCo Donors, other than on the Shareholders to carry out the necessary formal decisions according to Mauritian Law in relation to GuarantCo as instructed by the GuarantCo Donors if applicable, or otherwise as set out under Clause 6.11 below.

6. DECISION MAKING

6.1 All decisions of the GuarantCo Donors in respect of any acts relating to GuarantCo which require a decision of the GuarantCo Donors (as referred to in Clauses 3.2 and 3.3 above) shall be decided by the GuarantCo Donors in accordance with the provisions of this Clause 6 or if not set out herein as stipulated by the PIDG Constitution.

6.2 Decisions of GuarantCo Donors shall be made at meetings of the GuarantCo Donors except as provided below in Clause 6.4.

6.3 Unless otherwise agreed in writing by all GuarantCo Donors, physical meetings of the GuarantCo 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 GuarantCo Donors. No business shall be transacted at a meeting of the GuarantCo Donors unless all GuarantCo Donors are present or otherwise represented or have otherwise so consented in writing.

6.4 Any decision required or permitted to be taken at a meeting of the GuarantCo 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 GuarantCo Donors and approved in writing, in one or more counterparts, by all GuarantCo Donors.

6.5 At any meeting of the GuarantCo Donors, including physical meetings, where no duly authorised representative of a GuarantCo Donor is able to attend in person, a representative of that GuarantCo Donor may participate by means of such telephone or other communications facilities as permit all participants to hear each other.

6.6 Each GuarantCo Donor will have one vote at meetings of the GuarantCo Donors. Decisions of the GuarantCo Donors must be unanimous.

6.7 The PIDG PMU shall be instructed by the GuarantCo Donors to provide each GuarantCo Donor with written notice of a meeting of the GuarantCo 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. GuarantCo Donors will be invited to comment on the agenda proposed. A revised agenda (if relevant) will be provided to each GuarantCo Donor not less than fifteen (15) days before the date of the meeting.

6.8 Where a decision is taken at a meeting of the GuarantCo Donors on a matter which was not shown on the agenda and any GuarantCo Donor is absent from that meeting, that decision shall be circulated to any absent GuarantCo Donors for approval in accordance with Clause 6.4.

6.9 For the avoidance of doubt, the Parties acknowledge and agree that the provisions of this Clause 6 shall apply at all times including, without limitation, if there is at any time only one GuarantCo Donor.

6.10 The PIDG PMU shall be directed by the GuarantCo Donors to keep minutes of all GuarantCo Donor meetings, recording subject matters handled, a summary of any discussion having taken place, and setting out in detail the decisions made by the GuarantCo Donors.

6.11 All other matters pertaining to the day to day affairs and management of GuarantCo shall be dealt with by the Board of Directors and it is explicitly agreed to the extent permitted by any relevant laws or regulations that the GuarantCo Donors shall not have any responsibility or liability for any such day to day affairs and management of GuarantCo operational matters.

6.12 The PIDG Trust (via the PIDG PMU) shall take all reasonable steps to ensure that the decisions taken by the GuarantCo Donors in accordance with the above are implemented by the Board of Directors and by the Manager.

7. PROCEEDS

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

(i) *First,* to be paid pro rata to each GuarantCo Donor (at the option of each GuarantCo Donor) in repayment of the amount of each such GuarantCo Donor's Contribution to the PIDG Trust for GuarantCo (to the extent of such GuarantCo Donor's Contribution) *plus* such amount of any surplus Proceeds pro rata to the amount of each such GuarantCo Donor's aggregate Contribution to the PIDG Trust for GuarantCo;

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

7.2 The PIDG Trust shall use its best endeavours to (and procure that any necessary third party shall) execute and deliver all such documents and perform such acts as may be required for the purpose of enabling the repayment of any Contribution in accordance with the terms of any relevant Funding Instrument including, at any GuarantCo Donor's request to liquidate its investment in GuarantCo (through whatever means) subject always to the consent of each GuarantCo 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).

8. CO-OPERATION

8.1 Prior to paying each Contribution, the GuarantCo 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.

8.2 If an event of default occurs under the terms of any Funding Instrument or any Funding Instrument is terminated for whatever reason, the GuarantCo Donor in respect of whose Funding Instrument is terminated or the event of default has occurred shall promptly notify the other GuarantCo Donors in writing of the event of default or termination.

8.3 In the case of an event of default under the terms of any Funding Instrument, the GuarantCo Donors and the PIDG Trust will co-operate (for example, the GuarantCo 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.

8.4 In the event that DFID, Sida or SECO does not meet a funding Commitment in accordance with the provisions of Clause 4 in circumstances where GuarantCo is not in breach of this Agreement or any Subscription Agreement (such unmet Commitment being a "Missed Commitment") and such decision not to meet its funding Commitment results in GuarantCo being liquidated or otherwise wound up because it cannot meet its financial obligations as they fall due, DFID, Sida and SECO (as applicable) agrees to indemnify the Board of Directors 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 DFID, Sida and SECO hereby agree to indemnify the Board of Directors 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 of DFID's, Sida's and SECO's respective outstanding un-disbursed Commitment. The indemnity in this Clause 8.4 does not cover any liability arising from gross negligence, wilful default or fraud on the part of either GuarantCo or any director of GuarantCo. The Board of Directors may enforce the terms of this Clause 8.4 pursuant to the Contracts (Rights of Third Parties) Act 1999.

8.5 No GuarantCo 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 GuarantCo Donor's share of Proceeds in accordance with Clause 7 except where such GuarantCo Donor's Contribution has been misused or misappropriated by the PIDG Trust or GuarantCo upon receipt of the Contribution by GuarantCo. In this case, payment or repayment of such misused or misappropriated Contribution may exceed

the amount available from such GuarantCo Donor's share of Proceeds in accordance with Clause 7 but shall be subject to written demand for such payment or repayment by the GuarantCo Donor and shall be limited to the amount of such GuarantCo Donors' Contribution. In the case of misuse or misappropriation of a GuarantCo Donor's Contribution by GuarantCo, the PIDG Trust shall use its best endeavours to recover such misused or misappropriated Contribution from GuarantCo. Nothing in this Agreement shall require the PIDG Trust to initiate any legal, enforcement, default or other proceedings of any nature against GuarantCo or any other person, unless it has first been indemnified by the GuarantCo Donors to the satisfaction of the PIDG Trust in respect of such steps.

9. REPORTING

9.1 GuarantCo and the PIDG Trust (as applicable) shall provide the following documentation and information (and in the case of the PIDG Trust, upon receipt of the relevant documentation and information from GuarantCo and the other corporate entities owned by the PIDG Trust as appropriate), in each case as adopted or approved by the Board of Directors or the PIDG Trust (as applicable), to the PMU for circulation to the GuarantCo Donors (and, in the case of the GuarantCo Management Accounts in Clause 9.1(i) below and the PIDG Trust Management Accounts in clause 9.1(ii) below, to each PIDG Donor) in order to meet the requirements of the GuarantCo Donors, which may vary from time to time with the written agreement of the PIDG Trust and GuarantCo:

Monthly:

GuarantCo

(i) by the 10th of each month:

(a) a cash forecast report providing a summary of expected sources and uses of funds by month for the current Financial Year and by Quarter 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 GuarantCo's financial contractual obligations, whichever shall be the later) which shall include:

- indicative and committed funding anticipated from GuarantCo Donors identifying each GuarantCo Donor and its Funding Instrument;

- funding anticipated from other sources (e.g. investments or loan drawings if applicable);
- receipts from any other sources e.g. asset sales;
- expected uses of funds including Project pipeline requirements, fees and expenses payable to the Manager, loan repayments (where relevant);
- overheads and corporate operating costs;
- expected opening and closing cash balances.

The format of the cash forecast report on expected sources and uses of funds can be the same as any equivalent report required by any other GuarantCo stakeholders to whom GuarantCo owes a similar reporting obligation (for example, counter-guarantors);

(b) the assumptions and risks behind the information provided under Clause 9.1 (i)(a) including any material management decision(s) about any impairment or provision in respect of any GuarantCo investment or other asset of GuarantCo;

Quarterly:

GuarantCo

(ii) within 45 days of the end of each Quarter:

(a) the GuarantCo Management Accounts prepared in accordance with IFRS;

The format of the GuarantCo Management Accounts can be the same as any equivalent accounts required by any other GuarantCo stakeholders to whom GuarantCo owes a similar reporting obligation (for example, counter-guarantors);

(b) the assumptions and risks behind the information provided under Clause 9.1 (ii)(b) including any material management decision(s) about any impairment or provision in respect of any GuarantCo investment or other asset of GuarantCo;

(c) progress reports on the status of the activities of GuarantCo in such form and detail as the GuarantCo Donors may require including a report on material risks for GuarantCo at that time (including in relation to any of GuarantCo's investments, for example, any actual or

potential impairment or provision in respect of any GuarantCo investment or other asset of GuarantCo), a summary and status update of GuarantCo's pipeline of projects and each investment in GuarantCo's portfolio, and any special reports relating to investments of GuarantCo as any GuarantCo Donor may require;

PIDG Trust

(iii) within 60 days of the end of each Quarter the PIDG Trust Management Accounts which shall include updated statements of the ownership interests of the PIDG Trust in each of the PIDG Facilities;

Annually:

GuarantCo

(iv) on or prior to 1 November of each Financial Year, a copy of GuarantCo's Business Plan and Budget;

(v) within 90 days after the end of each Financial Year, a copy of GuarantCo's audited consolidated financial statements for such Financial Year prepared in accordance with IFRS together with an audit report thereon signed by GuarantCo's auditors, which shall contain a summary of the findings from the audit process, and an annual letter of representation signed on behalf of GuarantCo, which shall contain an assertion that GuarantCo has provided correct information to the auditors and that the financial procedures and controls and governance adopted by GuarantCo are satisfactory;

(vi) annual preparation and presentation of a "Lessons Learned" paper;

(vii) such reasonable support, assistance and written contributions to the PIDG Annual Report as the PIDG Trust may require;

PIDG Trust

(viii) within 120 days after the end of the financial year of the PIDG Trust, the audited financial statements of the PIDG Trust, which shall include updated valuations of each of the PIDG Trust's investments;

Miscellaneous:

(ix) notice of any event or circumstance which is reasonably likely to lead to or or will cause an impairment or provision to be recorded in respect of any

GuarantCo investment or other asset of GuarantCo, as soon as GuarantCo becomes aware of such event or circumstance;

(x) logframes and reports on the development impact of the Projects in accordance with the results monitoring methodology, format and timetable agreed by the PIDG Donors and set out in the PIDG Results Monitoring Handbook;

(xi) any reports or information requested by DFID in connection with the DFID Contestability Mechanism;

(xii) a case study in respect of each GuarantCo investment in such form and substance as the PIDG Trust may reasonably require from time to time (subject to a maximum of 4 case studies per year);

(xiii) the organisation and hosting, in consultation with the PIDG PMU, of at least one "GuarantCo Awareness Day" (in workshop format) per 4 year period (on a date(s) to be agreed between the GuarantCo Donors) for PIDG Members and PIDG Facilities on such GuarantCo activity as GuarantCo and the GuarantCo 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 GuarantCo;

(xv) at least 14 days' notice (or such other period of notice as permitted by the GuarantCo Constitution) of the calling of any meeting of shareholders of GuarantCo 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, GuarantCo or any PIDG Donor;

(xvii) without limitation to the above, any information reasonably requested by the PIDG Trust (and it will allow representatives of the PIDG Trust and the PIDG Donors the right to review the progress of any investment by GuarantCo and allow the representatives of the PIDG Trust and the PIDG Donors the right to audit the books and records of GuarantCo provided that GuarantCo 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); and

(xviii) such reasonable support and assistance as the GuarantCo Donors may require when undertaking any mid-term or progress review of GuarantCo.

9.2 GuarantCo shall be obliged (and shall require that the Manager shall be obliged) (where applicable) (i) to retain or cause to be retained for at least 6 years from the date of the creation of the record, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing GuarantCo's expenditure and ensure that such records and accounts are included in the annual audit of GuarantCo and enable the GuarantCo Donors' representatives to examine such records and accounts of GuarantCo; and (ii) without limitation to the above, to furnish or cause to be furnished to the GuarantCo Donors any information reasonably requested by an GuarantCo Donor and to allow representatives of the GuarantCo Donors on reasonable notice the right to review the progress of any Project by GuarantCo and allow the GuarantCo Donors the right to audit the books and records of GuarantCo and the Manager.

9.3 The GuarantCo Donors undertake to GuarantCo that they shall keep confidential all information of a secret or confidential nature received by them in their capacity as Shareholder and/or GuarantCo Donor relating to GuarantCo. This clause 9.3 does not apply to the disclosure of information:-

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

9.3.2 to the extent that such information comes into the public domain (other than through the breach of this clause 9.3) or as required by law (including the UK Freedom of Information Act 2000 and the Swiss Bundesgesetz über das Öffentlichkeitsprinzip der Verwaltung) or by any court or any other regulatory body; or

9.3.3 to any of the GuarantCo 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.

10. TERM

10.1 This Agreement shall continue for a term (the "Term") of 10 years from the date of this Agreement. The GuarantCo Donors shall meet at least 6 months prior to the end of the Term to discuss whether or not they wish to continue GuarantCo's activities and, if so, on what terms. If no agreement is reached between the GuarantCo Donors,

then (save to the extent that there are still amounts outstanding to GuarantCo in respect of any Project or other investment which will be dealt with in accordance with Clause 10.2) this Agreement shall automatically terminate on the last day of the Term whereupon GuarantCo shall be wound up and any Proceeds distributed in accordance with Clause 7.

10.2 The GuarantCo 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 GuarantCo and, if so, on what terms. If no agreement is reached between the GuarantCo Donors within a reasonable period of time, then GuarantCo shall be wound up and any Proceeds distributed in accordance with Clause 7 whereupon this Agreement will be deemed to have terminated.

10.3 In the event the Parties seek to terminate this Agreement pursuant to either Clause 10.1 or Clause 10.2, but at the proposed date of termination there are still amounts outstanding to GuarantCo in respect of any Project or other investment, the Parties agree that they (acting reasonably) will discuss between themselves (without any commitment of the GuarantCo Donors (or any other Party) to provide further funding to GuarantCo) how such amounts might be repaid, repaid early, assigned or transferred or otherwise managed by the GuarantCo Donors. The Parties will use their reasonable endeavours to assign or transfer or otherwise manage any outstanding amounts in respect of any Project or other investment 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 10.1 or Clause 10.2 (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 or other investment have been duly assigned, transferred or otherwise agreed to be managed by the GuarantCo Donors.

11. TRANSFERS AND ACCESSION

11.1 A GuarantCo Donor may not transfer its Commitment to another GuarantCo Donor or a PIDG Donor, and a Shareholder may not transfer its GuarantCo Shares unless (i) the other GuarantCo Donors and Shareholders 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 GuarantCo Donors and any other parties thereto.

11.2 An Additional GuarantCo Donor may accede to this Agreement by entering into: (a) 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 GuarantCo Donors and any other parties thereto.

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

12. GENERAL

12.1 Each of the Parties shall, to the extent permitted by law, from time to time do or procure all things as may be required to give effect to this Agreement and to all other agreements referred to in this Agreement, including, without limitation, the execution of all deeds and documents, procuring the convening of all meetings, the giving of all necessary waivers and consents, the passing of all resolutions and otherwise exercising all powers and rights available to them to ensure that the Shareholders and any Board of Directors appointed by them (or their alternates) give effect to the terms of this Agreement.

12.2 No Party shall make or permit any person connected with it to make any announcement concerning this Agreement or any ancillary matter before, on or after the date of this Agreement except as required by law or any regulatory body without the consent of the GuarantCo Donors, except that nothing in this Agreement shall prevent the publication or disclosure by the GuarantCo Donors on www.pidg.org or each GuarantCo Donor's own website (including pursuant to the International Aid Transparency Initiative) of all or any of the provisions of this Agreement (including, without limitation, any of the documents annexed hereto or referred to herein).

12.3 The Parties shall each bear their own costs and expenses incurred in relation to the preparation, negotiation and execution of this Agreement and all ancillary matters.

12.4 This Agreement and the documents referred to in it contain the whole agreement between the Parties relating to the subject matter of this Agreement and supersede all previous agreements between the Parties relating thereto.

12.5 This Agreement and any amendment or variation hereto in accordance with Clause 12.6 may be executed in any number of counterparts, all of which taken together shall constitute the whole Agreement.

12.6 No amendment or variation of this Agreement or any provision of this Agreement shall be effective unless it is in writing and duly executed by or on behalf of all the Parties.

12.7 None of the rights or obligations under this Agreement may be assigned or transferred without the prior written consent of all of the other Parties or, in the case of a GuarantCo Donor, in accordance with the provisions of Clause 11 (Transfers and Accession).

12.8 Any Party may release or compromise in whole or in part any liability of any one or more of the other Parties under this Agreement or grant any of them any time or other indulgence, but any such action shall not affect any other liability of such other Parties hereunder.

12.9 Nothing in this Agreement shall be deemed to constitute a partnership between the Parties nor constitute any Party the agent of any other Party for any purpose.

12.10 The provisions contained in each Clause of this Agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the 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.

12.11 The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision hereof, and any illegal, invalid or unenforceable provisions shall at the request of any GuarantCo Donor be replaced by other provisions in accordance with the purpose and meaning of this Agreement.

12.12 Time is not of the essence in relation to any obligations under this Agreement unless:

(i) time is expressly stated to be of the essence in relation to that obligation;

(ii) one Party fails to perform an obligation by the time specified in this Agreement and the other Parties serve a notice on the defaulting Party requiring it to perform the obligation by a specified time and stating that time is of the essence in relation to that obligation.

12.13 The language of this Agreement is English and all notices, demands, requests, statements, certificates or other documents or communications shall be in English unless otherwise agreed in writing.

12.14 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.

12.15 (i) If any provision of this Agreement conflicts with the provisions of the GuarantCo Constitution or a Subscription Agreement then (to the extent permitted by law) this Agreement shall prevail and each of the GuarantCo Donors, the PIDG Trust and GuarantCo undertakes forthwith as among themselves to take all reasonable steps to amend, waive or suspend such GuarantCo Constitution and/or Subscription Agreement to the extent necessary to reflect the provisions of this Agreement.

(ii) Subject to Clause 12.15(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 GuarantCo Donors, the PIDG Trust and GuarantCo undertake forthwith to take all reasonable steps to amend, waive or suspend such provisions(s) of this Agreement to the extent necessary to reflect the provisions of the relevant Funding Instrument.

(iii) Except in relation to the DFID Grant Arrangement (No.4) Clause 12.5(ii) shall not apply to the Proceeds provisions set out in Clause 7 and the reporting provisions set out in Clauses 9.1, 9.2 and 9.3 of this Agreement.

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

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

partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other power or right.

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

13. DISPUTES

13.1 **Governing Law:** This Agreement and any disputes arising out of or in connection with it or its subject matter (including non-contractual disputes or claims) (a **"Dispute"**) shall be governed by, and construed in accordance with the laws of England and Wales.

13.2 **Amicable Settlement:** If any Dispute arises between any of the Parties, they shall use all reasonable endeavours to resolve the matter amicably. If one Party gives any other Party notice that a Dispute has arisen and the Parties are unable to resolve such Dispute within thirty (30) days of service of such notice, then such Dispute shall be referred to the respective chairperson or chief executives or equivalents of the Parties in dispute. No Party shall resort to arbitration against any other Party under this Agreement until at least thirty (30) days after such referral. This shall not affect a Party's right, where appropriate, to seek interim relief from a court of competent jurisdiction.

13.3 **Arbitration:** All Disputes which are unresolved by the chairperson or chief executives or equivalents pursuant to Clause 13.2, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration ("LCIA") Rules, which Rules are deemed to be incorporated herein.

13.4 **Constitution and Language:** Arbitration under the LCIA Rules shall consist of one arbitrator who shall be either a barrister or a solicitor admitted to practice in England and Wales for at least fifteen (15) years. The Parties to arbitration under this Agreement shall attempt to agree the arbitrator within twenty (20) days of the commencement of the arbitration. Failing such agreement the sole arbitrator shall be appointed by the LCIA Court. The seat of the arbitration shall always be, and all arbitration proceedings shall be in London, England (though if the Parties to an arbitration agree, any arbitration proceeding may be held in such other venue as may be mutually convenient). The language of the arbitration shall be English.

13.5 **Appeals:** None of the Parties shall make an application pursuant to Sections 45 or 69 of the Arbitration Act 1996. The decision of the arbitrator shall be final and binding and non appealable.

13.6 **Joinder:** The arbitrator shall have power after the commencement of an arbitration to allow, only on the application of a Party to that arbitration, another Party to this Agreement to be joined in the arbitration as a Party, and thereafter to make a single final award, or separate awards, in respect of all Parties so implicated in the arbitration.

13.7 **Aid to Arbitration:** All Parties irrevocably submit to the non-exclusive jurisdiction of the courts of England to support and assist the arbitration process pursuant to Clause 13.3 including, if necessary, the grant of interlocutory relief pending the outcome of that process.

13.8 **Inconvenient Forum:** The Parties hereby irrevocably waive any claim they may now or hereafter have that any proceeding in relation to this Agreement has been brought in an inconvenient forum.

14. NOTICES

14.1 All notices or other communications to be given under this Agreement shall be made in writing and by letter or 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 14.2, or at such other address or facsimile number as such Party may hereafter specify for such purpose to the others by notice in writing.

14.2 The addresses referred to in Clause 14.1 are:

14.2.1 **DFID:**

22 Whitehall
London
SW1A 2EG
Tel: +44 (0) 20 7023 0639

Fax: +44 (0) 20 7023 0072

FAO: Radhika Dil

14.2.2 **Sida**

Swedish International Development Cooperation Agency (Sida)

SE-105 25 STOCKHOLM

Sweden

Tel: +46 8 698 5000

Fax: +46 8 698 5656

FAO: Ulrika Hessling Sjöström

14.2.3 **SECO**

Federal Department of Economic Affairs, Education and Research EAER

State Secretariat for Economic Affairs SECO

Economic Cooperation and Development

Infrastructure Financing Division

Holzikofenweg 36

CH-3003 Bern, Switzerland

Tel: +41 (0) 31 322 5656

Fax: +41 (0) 31 322 2749

FAO: Martina Locher

14.2.4 **FMO:**

Anna van Saksenlaan 71

2593 HW

The Hague

The Netherlands

Fax: +31 70 314 9753

FAO: Robert Voskuilen

14.2.5 **The Trustees of the PIDG Trust:**

c/o SG Hambros Trust Company Limited

Norfolk House

31 St James's Square
London SW1Y 4JR
United Kingdom
Tel: +44 (0) 20 7597 3000
Fax: +44 (0) 20 7702 9263
FAO: Rachel Iles

14.2.6 **GuarantCo:**

Standard Bank Trust Company (Mauritius) Ltd
10th Floor, Tower A
1 CyberCity
Ebene
Mauritius
Fax: +230 202 4209
FAO: Company Secretary, GuarantCo Ltd

14.2.7 **DGIS**

PO Box 20061
2500 EB The Hague
The Netherlands
Tel: +31 (0) 70 348 6486
Fax: +31 (0) 70 348 4848
FAO: Christine Pirenne

14.3 A notice or other communication received on a day other than a Business Day, or after business hours, in the place of receipt shall be deemed to be given on the next following Business Day in such place.

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)

7/10/14

Head of Department for Infrastructure and Economic Cooperation for and on behalf of the Swedish International Development Cooperation Agency)

Liliana de Sá Kirchknopf, Head of Private Sector Development for and on behalf of the Swiss State Secretariat for Economic Affairs of the Government of the Confederation of Switzerland)

for and on behalf of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.)

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)

Anna Rosendahl, Head of Unit for Private Sector Collaboration and ICT (ENICT), Department for Partnership and Innovations, for and on behalf of the Swedish International Development Cooperation Agency (Sida))



Liliana de Sá Kirchknopf, Head of Private Sector Development for and on behalf of the Swiss State Secretariat for Economic Affairs of the Government of the Confederation of Switzerland)

)

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for and on behalf of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.)

A.J. Mulder
Manager - Energy

R. Messie
Director Legal Affairs

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

SG Hambros Trust Company Ltd

By :

Name: GERALDINE APPERT C. ROSS

Title: DIRECTOR DIRECTOR.

Multiconsult Trustees Ltd

By:

Name:

Title:

Minimax Ltd

By:

Name:

Title:

Martin de la Beijl, Directorate for Sustainable Economic Development for and on behalf of the Government of the Netherlands, represented by the Directorate for Sustainable Economic Development - the Netherlands Minister for Development Cooperation

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: Sonia Kutchmeah & Rajiv Gujjalu

Title: Authorised Signatories.

Minimax Ltd

By:

Name: Yousreshwar Ramdhony & Deven Coopoosamy.

Title: Authorised Signatories

Martin de la Beij], Directorate for Sustainable Economic Development for and on behalf of the Government of the Netherlands, represented by the Directorate for Sustainable Economic Development - the Netherlands Minister for Development Cooperation

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: DGIS

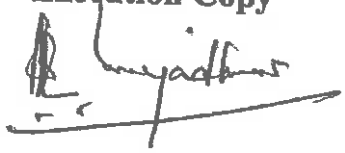
Name: Jeroen Roodenburg

Title:



Jeroen Roodenburg, Directorate for Sustainable Economic Development for and on behalf of the Government of the Netherlands, represented by the Directorate for Sustainable Economic Development - the Netherlands Minister for Development Cooperation

Director, for and on behalf of)
GuarantCo Ltd)



Baboo Rajendranathsing Gujadhur

SCHEDULE 1

SCHEDULE OF COMMITMENTS

Disbursement Date	I	II	III	IV	V
	DFID	**SIDA**	**FMO**	**SECO**	**PIDG TRUST**
	(to PIDG Trust)	(to PIDG Trust)	(to GuarantCo)	(to PIDG Trust)	(to GuarantCo)
2004	9.00				9
2005	16.00 (£15.6m)				16
2006			15	4.8	4.8
2007		7	8	3.2	10.2
2008		8	2		8
2009				9	
2010	9.03 (£6.05m)		9		18.03
2011	9.60 (£6m)				9.6
2012	52.4396 (£32.5m)			4.5	56.9396
2013	38.58 (£25m)				38.58
2014	USD equivalent of £52.5m			3.5	USD equivalent of £52.5m + USD3.5m
2015				5	5
2016				5	5
Totals	**134.6496 + USD equivalent of £52.5 million**	**15**	**34**	**35**	**184.6496 + USD equivalent of £52.5 million**
Final Donor Disbursement Date	**31.03.2015 (DFID Grant Arrangement (No. 4))**			**31.12.2016 (SECO Grant (No.3) Agreement**	

Note :

**** DFID's Commitments are in GBP; subscription is made for GuarantCo Shares at the prevailing USD equivalent***

Column I, II and IV: Funds committed by DFID, Sida and SECO are payable to the PIDG Trust.

Column V: Subject to receipt by the PIDG Trust of such corresponding funds, such corresponding funds are payable by the PIDG Trust to GuarantCo for subscription for shares in GuarantCo.

Column III: Funds committed by FMO are payable by FMO to GuarantCo for subscription for shares in GuarantCo.

SCHEDULE 2

LETTER OF ACCESSION

We refer to the GuarantCo Funders' Agreement originally dated 23 November 2006 as amended and restated on ..... between: (1) The Secretary of State for International Development of the Government of the United Kingdom, acting through the Department for International Development ("**DFID**"); (2) the Swedish Government, acting through the Swedish International Development Co-operation Agency ("**SIDA**"); (3) The Government of the Swiss Confederation, acting through the Swiss State Secretariat for Economic Affairs of the Government of the Confederation of Switzerland ("**SECO**"); (4) Nederlandse Financierings-Mmaatschappij voor Ontwikklingslanden n.v. ("**FMO**"); (5) SG Hambros Trust Company Limited, Multiconsult Trustees Limited and Minimax Limited, acting as trustees of the Private Infrastructure Development Group Trust (the "**PIDG Trust**"); (6) the Government of The Netherlands, represented by the Directorate for Sustainable Economic Development – The Netherlands Minister for Development Co-operation ("**DGIS**"); and (7) GuarantCo Ltd ("**the GuarantCo Funders' Agreement**").

We agree with **each Party** to the GuarantCo Funders' Agreement that, with effect from the date hereof, we will comply with the terms of the GuarantCo Funders Agreement as if we were an original signatory thereto.

Signed for and on behalf of

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

SCHEDULE 3

MATTERS REQUIRING UNANIMOUS CONSENT OF GUARANTCO DONORS

PART 1

The GuarantCo Donors and the PIDG Trust undertake that they shall exercise all rights available to them to procure that GuarantCo shall not, without the prior written consent of the GuarantCo Donors:

1. change GuarantCo's Constitution, unless required by law, in any manner which would be inconsistent with the provisions of this Agreement;

2. save as contemplated by this Agreement, make any variation (including, without limitation, any allotment, conversion, consolidation, subdivision, redemption or reorganisation) in the share capital of GuarantCo, or create any options or other rights to subscribe for, or to convert into, GuarantCo Shares or for the purchase or redemption of GuarantCo Shares;

3. commence any action to wind up or dissolve itself voluntarily;

4. alter its accounting reference date or (except insofar as is necessary to comply with International Accounting Standards) material accounting policies and practices or change its auditors;

5. undertake or permit any merger, consolidation or reorganisation of GuarantCo;

6. implement any other matter which, according to the law of Mauritius, is required to be decided upon by the shareholders of GuarantCo;

7. appoint or remove any person as a director of GuarantCo (including a managing director); or

8. agree (unconditionally or otherwise) to do any of the matters or things set out in this Part 1 of Schedule 3.

PART 2

GuarantCo undertakes that it shall not without the prior written consent of the GuarantCo Donors:

1. enter into any transaction with any person other than in the ordinary course of GuarantCo's business, on ordinary commercial terms and on the basis of arm's-length arrangements and in accordance with the Guarantee Policy, the PIDG Code of Conduct and the PIDG Operating Policies and Procedures;

2. change the Guarantee 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 GuarantCo's finance documents, the Guarantee Policy, the PIDG Code of Conduct and the PIDG Operating Policies and Procedures or in the ordinary course of business of GuarantCo;

4. make any material alteration (including cessation) to the general nature of its business beyond that set out in Clause 2 to this Agreement;

5. enter into any partnership, profit-sharing or royalty agreement or other similar arrangement whereby GuarantCo's income or profits are, or might be, shared with any other person outside the ordinary course of business;

6. terminate, amend or grant any waiver in respect of any provision of the Management Agreement except in accordance with the terms thereof;

7. declare or distribute any Proceeds save as recommended by the GuarantCo Donors or otherwise as set out in this Agreement;

8. 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;

9. enter into or terminate any service agreement with a director or managing director of GuarantCo;

10. save to the extent approved as part of the Annual Business Plan and Budget, incur any material expenditure or liability of a capital nature in each case in excess of US$1,000,000 or the equivalent thereof (including, for this purpose but without limitation, the acquisition of any asset under lease or hire purchase);

11. borrow any money or obtain any advance or credit in any form other than under GuarantCo's current financing facilities or normal trade credit or other than on normal banking terms for unsecured overdraft facilities or vary the terms and conditions of any such borrowings or bank mandates, in each such case where the sum of money involved is in excess of US$1,000,000 or the equivalent thereof;

12. 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;

13. make any gift or political or charitable donation;

14. commence or settle any legal or arbitration proceedings otherwise than in the ordinary course of its business;

15. create or allow to subsist any encumbrance over any of its assets otherwise than in the ordinary course of business;

16. establish any subsidiary (other than any subsidiary to be established solely in connection with any Project); or

17. agree (conditionally or otherwise) to do any of the matters or things set out in this Part 2 of Schedule 3.

SCHEDULE 4

FUNDING INSTRUMENTS

Donor	Funding Instrument	Date	Amount (up to)	Subscription Agreement
DFID	DFID Grant Arrangement (No. 1)	8 December 2003	GBP 15,600,000	PIDG Trust/GuarantCo Subscription Agreement (No.1)
	DFID Grant Arrangement (No.2)	18 March 2010 (as amended)	GBP 6,050,000	PIDG Trust/GuarantCo Subscription Agreement (No.3)
	DFID Grant Arrangement (No.3)	16 March 2011	GBP 6,000,000	PIDG Trust/GuarantCo Subscription Agreement (No.4)
	DFID Grant Arrangement (No.4)*	12 March 2012 (as amended on 6 June 2014)	GBP 110,000,000	PIDG Trust/GuarantCo Subscription Agreement (No.5) and PIDG Trust/GuarantCo Subscription Agreement (No.6)
FMO	FMO/GuarantCo Subscription Agreement	23 November 2006	USD 25,000,000	N/A
	FMO/GuarantCo Subscription Agreement (No. 2)	29 September 2010	USD 9,000,000	N/A
SECO	SECO Conditional Loan Agreement	23 November 2006	USD 8,000,000	PIDG Trust/GuarantCo Subscription Agreement (No.2)
	SECO Grant (No.1) Agreement	1 December 2009	USD 9,000,000	PIDG Trust/GuarantCo Subscription Agreement (No.3)
	SECO Grant (No.2) Agreement*	5 December 2012	USD 18,000,000	PIDG Trust/GuarantCo Subscription Agreement (No.5)
Sida	Sida Conditional Loan Agreement	23 November 2006	USD 15,000,000	PIDG Trust/GuarantCo Subscription Agreement (No.2)

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

ANNEXURE 1

THE GUARANTCO CONSTITUTION

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

The Board should be fully briefed by the Manager on treasury exposures and risks. These risks would be set out and addressed in a clearly defined and Board approved treasury policy

document. The treasury policy should be reviewed and updated periodically (at least annually) as the Company matures or when new developments occur.

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

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

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

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

3. Scope of treasury policy

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

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

Treasury policy should encompass:

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

In practice treasury policies should be written down into a formal document often with a "Mission statement" regarding the role and approach of the treasury function. Many companies split the policy into two or more documents, the first being a high level summary which the Board review and approve annually and the second which 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	• 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	• 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	• Objectives • Identify key receipts and payments • Identify actions to be taken to manage cash flow efficiently
	Bank relationships (if applicable)	Good banking relationships (if applicable) are essential for any treasury function and need to be managed. Generally, the more attention given to the banks the less demands are made by the banks, and vice versa	• Objectives • Structure of the banking group; inter-relation of banking groups • Criteria for choice of bank • Credit rating
	Debt management (if applicable)	To ensure transactions undertaken are in compliance with banking documents, and to ensure potential non-compliance with covenants is identified in advance to avoid crisis	• 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	• 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 risk 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	• 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	• 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	• 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	• 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	• 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	• 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	• 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