AFRICA LEGAL
INTERNATIONAL LEGAL SERVICES

Dated 23rd November 2006

GUARANTCO LTD

and

NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.

and

THE TRUSTEES OF THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

SUBSCRIPTION AGREEMENT

relating to shares in GuarantCo Ltd

CONTENTS

1. INTERPRETATION 1

2. PURPOSE AND USE OF FUNDS 6

3. CONDITIONS PRECEDENT TO SUBSCRIPTION 6

4. SUBSCRIPTION 8

5. WARRANTIES / UNDERTAKINGS 9

6. COMPLETION 13

7. CONFIDENTIALITY 14

8. DISPUTES 14

9. NOTICES 16

10. GENERAL 17

SCHEDULE 1 : FMO SUBSCRIPTION 19

SCHEDULE 2 : PARTICULARS OF THE COMPANY 20

SCHEDULE 3 : FORM OF SUBSCRIPTION REQUEST 21

THIS AGREEMENT is made on 2006

BETWEEN

(1) **GUARANTCO LTD**, a private company limited by shares and incorporated under the laws of Mauritius with registered number 58185 whose registered office is at 4th Floor, Les Jamalacs Building, Vieux Conseil Street, Port Louis, Mauritius ("**GuarantCo**");

(2) **NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.**, a public company incorporated under the laws of The Netherlands whose registered address is at Anna van Saksenlaan 71, 2593 HW Den Haag, The Netherlands ("**FMO**"); and

(3) **SG HAMBROS TRUST COMPANY LTD.** of 41 Tower Hill, London EC3N 4SG, England, **MULTICONSULT TRUSTEES LTD.** of 10 Frère Felix de Valois Street, Port Louis, Mauritius, and **MINIMAX LTD.** of 10 Frère Felix de Valois Street, Port Louis, Mauritius as trustees of the **PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**, a trust created under the laws of Mauritius (the "**PIDG Trust**")

INTRODUCTION

(A) GuarantCo (which was originally established in the UK in 2003 ("**GuarantCo Limited (UK)**") before being moved to Mauritius in 2005), short particulars of which are set out in Schedule 2, has been established for the purpose set out in Clause 2.1.

(B) The initial equity funding of GuarantCo has been raised from the PIDG Trust which has subscribed for such numbers of shares as are set out against its name in Schedule 2 ("**the Issued Shares**") pursuant to a subscription agreement dated 17 October 2005.

(C) GuarantCo is in discussion with various Donors with a view to raising additional equity funding.

(D) FMO proposes to subscribe for shares in the capital of GuarantCo on the terms and subject to the conditions set out in this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement:

1.1.1 "**Accounting Period**" means the accounting period of GuarantCo commencing each year on 1 January and ending on the following 31 December;

1.1.2 "**Accounts**" mean the audited accounts of GuarantCo for the period to 31 December 2005 and the management accounts of GuarantCo for the period to 30 June 2006;

1.1.3 **"Board"** means the board of directors of GuarantCo, and **"Director"** means any member of the Board;

1.1.4 **"Business Day"** means a day (other than a Saturday or Sunday) on which banks are generally open for normal business in Amsterdam, London and Mauritius;

1.1.5 **"Completion"** means the implementation of the matters described in Clause 6;

1.1.6 **"Conditions"** means the conditions precedent referred to in Clauses 3.1 and 3.2;

1.1.7 **"Constitution"** means the constitution of GuarantCo for the time being;

1.1.8 **"Donors"** means the Government of the United Kingdom, acting through the Secretary of State for International Development at the Department for International Development; the Swedish Government, acting through the Swedish International Development Cooperation Agency; FMO; the Swiss State Secretariat for Economics Affairs of the Government of the Confederation of Switzerland and any additional donor(s);

1.1.9 **"Environmental and Social Standards"** means the environmental, health and safety, social and corporate governance standards of FMO (as amended from time to time by FMO), the current version of which is set out in the GuarantCo Funders' Agreement and in the Guarantee Policy;

1.1.10 **"Commission Agreement"** means an agreement proposed to be entered into between GuarantCo and FMO pursuant to which FMO is to provide GuarantCo with assistance in respect of the evaluation of Environmental and Social Standards;

1.1.11 **"First Subscription Date"** means the date upon which FMO's first subscription for Shares takes place pursuant to Clause 4.1;

1.1.12 **"FSC"** means the Financial Services Commission of Mauritius or any successor or replacement organisation or authority for the time being responsible for the regulation of the business of GuarantCo;

1.1.13 **"Funding Instruments"** shall have the meaning set out in the GuarantCo Funders' Agreement;

1.1.14 **"GuarantCo Funders' Agreement"** means the agreement between the Donors, the PIDG Trust and GuarantCo with regard to, inter alia, the funding of GuarantCo and the regulation of certain Shareholder matters;

1.1.15 **"Guarantee Policy"** means the Guarantee Policy and Operational Guidelines of GuarantCo as set out in the GuarantCo Funders' Agreement (as amended from time to time);

1.1.16 **"Guaranteed Entity"** means any company (whether limited or otherwise), partnership (whether limited or otherwise), or other entity to which GuarantCo has provided a guarantee facility pursuant to Clause 2.1 ;

1.1.17 **"IFRS"** means the International Financial Reporting Standards issued by the International Accounting Standards Board, as amended from time to time;

1.1.18 **"Initial Subscription"** means the subscription of Shares by FMO in accordance with Clauses 4.1 and 4.3;

1.1.19 **"Issued Shares"** has the meaning given to it in Recital B;

1.1.20 **"Management Agreement"** means the proposed management agreement between GuarantCo and the Manager in a form agreed between the Manager and GuarantCo and with the prior written approval of the PIDG Trust and FMO;

1.1.21 **"Manager"** means the manager of GuarantCo for the time being;

1.1.22 **"Purpose"** means the purpose of GuarantCo referred to in Clause 2.1 and as more particularly described in the Guarantee Policy;

1.1.23 **"Shares"** means ordinary shares of no par value in the capital of GuarantCo, having the rights and being subject to the restrictions set out in the Constitution;

1.1.24 **"Shareholder"** means the holder of any Share;

1.1.25 **"Sida Conditional Loan Agreement"** has the meaning given to it in the GuarantCo Funders' Agreement;

1.1.26 **"Subscription"** means a subscription for Shares by FMO pursuant to the terms hereof;

1.1.27 **"Subscription Date"** means the date specified in the Subscription Request;

1.1.28 **"Subscription Request"** means a written dated notice from GuarantCo to FMO in the form set out in Schedule 3;

1.1.29 **"Subsequent Subscription"** means the subscription of Shares by FMO in accordance with Clauses 4.2 and 4.3; and

1.1.30 **"Warranties"** means the warranties contained in Clause 5.

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 with respect to amendments.

1.4 References to a **"company"** shall be construed so as to include a company, a 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, 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 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 (i) **"US Dollars" or "US $"**, and (ii) to **Kshs** are to the lawful currency from time to time of, respectively, the United States of America and Kenya.

1.10 Where there is any inconsistency between the definitions set out in this Clause 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 Appendix to this Agreement shall take effect as if set out in this Agreement and references to this Agreement shall include its Schedules and Appendices.

1.14 References to (i) a **"Party"** is to a party to this Agreement, and to (ii) **"Clauses"**, **"Paragraphs"** and **"Schedules"** are references to the clauses, paragraphs and schedules of this Agreement.

1.15 Any individual shall be deemed to be connected with:

1.15.1 any person or persons in his or their capacity as trustee or trustees of a trust of which such individual is the settlor, provided that there are no persons beneficially interested under the trust other than that individual or his spouse or any child under the age of 18; or

1.15.2 any person who is the spouse, a sibling, a parent or a child of that individual.

1.16 Clauses 1.1 to 1.14 apply unless the contrary intention appears.

2. PURPOSE AND USE OF FUNDS

2.1 The purpose of GuarantCo is as set out in Clause 2 of the GuarantCo Funders' Agreement.

2.2 Subject to Clause 3, FMO agrees to subscribe at US $1 per Share for, and GuarantCo agrees to allot to FMO, up to the maximum number of Shares set out in column D of Schedule 1 for a maximum pro rated subscription price set out in column A thereof.

2.3 The consideration paid by FMO pursuant to Clause 2.2 shall be used exclusively by GuarantCo (i) for the purpose set out in Clause 2.1, and (ii) as working capital in connection therewith in accordance with the relevant Subscription Request.

3. CONDITIONS PRECEDENT TO SUBSCRIPTION

3.1 The obligations of FMO in respect of the Initial Subscription are conditional on each of the following being fulfilled to FMO's satisfaction (in both form and content):

3.1.1 each of the Guarantco Funders' Agreement, the Management Agreement, the Funding Instruments (excluding the Sida Conditional Loan Agreement unless and until such agreement has been approved in accordance with the provisions of Clause 16 of the GuarantCo Funders' Agreement), and the Commission Agreement having been duly executed by all parties thereto and becoming unconditional, subject only to any conditions relating to completion of this Agreement;

3.1.2 GuarantCo having adopted each of the Guarantee Policy and the Environmental and Social Standards;

3.1.3 there having been no breach of any of the Warranties given by GuarantCo or the PIDG Trust hereunder;

3.1.4 the receipt by FMO of a legal opinion(s) from its legal advisers with regard to the validity and enforceability of this Agreement; and

3.1.5 the proposed issue of Shares to FMO pursuant to the terms hereof being approved (i) by the Board, and (ii) by ordinary resolution of Shareholders on the record as at the date thereof.

3.2 The obligations of FMO in respect of each Subsequent Subscription are conditional on each of the following being fulfilled to FMO's satisfaction (in both form and content):

3.2.1 (subject to approval pursuant to Clause 16 of the GuarantCo Funders' Agreement) the Sida Conditional Loan Agreement having been duly executed by all parties thereto and becoming unconditional;

3.2.2 there having been no breach of:

(a) any of the Warranties given by GuarantCo or the PIDG Trust hereunder;

(b) any provision of the Guarantee Policy (unless waived or approved in advance in writing by the Donors); or

(c) any provision of this Agreement, the GuarantCo Funders' Agreement, the Management Agreement, the Funding Instruments, or the Commission Agreement; and

3.2.3 the issue of such further Shares to FMO pursuant to the terms hereof being approved (i) by the Board, and (ii) by ordinary resolution of Shareholders on the record as at the date thereof.

3.3 FMO undertakes to provide to the PIDG Trust and GuarantCo a declaration of effectiveness when the Conditions specified in Clause 3.1 (in the case of the Initial Subscription) and Clause 3.2 (in the case of each Subsequent Subscription) have been fulfilled to its satisfaction.

3.4 FMO may waive all or any of the Conditions in whole or in part at any time by notice in writing to GuarantCo and the PIDG Trust. Any such waiver may be subject to further conditions.

3.5 Each of the Parties shall use all reasonable endeavours to assist in the fulfilment of the Conditions.

3.6 If all the Conditions specified in Clause 3.1 are not fulfilled or waived by FMO on or before 31 October 2006 (or such later date as the Parties may agree in writing) none of the Parties shall have any rights or obligations under this Agreement so that no Party shall have any claims against the others for costs, damages, compensation or otherwise except:

3.6.1 in relation to any previous breach of this Agreement (including Clause 3.5); and

3.6.2 the provisions of Clauses 1, 3.6 and 7 to 10 (inclusive) shall continue to apply.

4. SUBSCRIPTION

4.1 Subject to Clause 3.1, and in reliance on the Warranties and other covenants and undertakings on the part of GuarantCo as set out in this Agreement, on receipt of a Subscription Request submitted to it by GuarantCo in accordance with Clause 4.3 FMO shall subscribe at US $1 per Share for, and GuarantCo shall allot to FMO, up to the maximum number of Shares set out in column B of Schedule 1 for a maximum pro rated subscription price set out in column C thereof.

4.2 Following the First Subscription Date and subject to Clause 3.2, and in reliance on the warranty referred to in Clause 5.3 and other covenants and undertakings on the part of GuarantCo as set out in this Agreement, on receipt of a Subscription Request submitted to it by GuarantCo in accordance with Clause 4.3 FMO shall, subscribe at US $1 per Share for, and GuarantCo shall allot to FMO, such number of Shares in an amount not exceeding (when aggregated with the Shares subscribed on all previous subscriptions) the total amount set out in column D of Schedule 1 for a maximum pro rated subscription price not exceeding (when aggregated with the subscription price paid on all previous subscriptions) the total commitment set out in column A thereof.

4.3 Subject to Clauses 4.1 and 4.2, whenever GuarantCo desires FMO to make a Subscription it shall deliver to FMO a Subscription Request appropriately completed to be received by FMO not later than 9.00 a.m. (Netherlands time) 10 Business Days prior to the proposed Subscription Date. Each Subscription Request shall specify the purpose for which the Subscription is requested with sufficient evidence of need and use of funds (including the name/s of any proposed Guaranteed Entity/ies and the industry sector/s and country/ies in which such Guaranteed Entity/ies operate/s) provided that:

(i) the amount requested in the first Subscription Request includes a pro-rata contribution to the costs, expenses, commitments and liabilities incurred by each of GuarantCo and GuarantCo Limited (UK) from their respective dates of incorporation to the date of this Agreement (including all liabilities relating to the guarantee in respect of medium term secured notes of up to Kshs 4,500,000,000 arranged for Celtel Kenya Ltd); and

(ii) subject to (i) above, the amount requested shall not be higher than the aggregate of (a) the amount GuarantCo anticipates it shall require to secure the issue of guarantees during the next six (6) month period (in accordance with the transaction pipeline set out in the business plan provided to Shareholders pursuant to Clause 5.4.5) plus one additional transaction, and (b) anticipated working capital for the next six (6) month period (as set out in the budget delivered by GuarantCo to the Shareholders pursuant to the Guarantco Funders' Agreement)

and for the purposes of this provision "pro rata" shall mean the proportion which FMO's total commitment (i.e. US $25m) bears to the total of all commitments (i.e. US $73m) set out in Schedule 1 of the GuarantCo Funders' Agreement.

4.4 Subject to the terms of this Agreement, FMO shall on the Subscription Date specified in the relevant Subscription Request pay the amount requested in full in cash in US Dollars to the credit of GuarantCo at such bank as GuarantCo shall designate in the Subscription Request (and cash shall include the electronic transfer of funds).

4.5 The number of Subscription Requests will be limited to two (2) per year and four (4) in total, and GuarantCo shall not, unless otherwise agreed with FMO, be entitled to serve a Subscription Request after the date falling three (3) years after the date of this Agreement.

5. WARRANTIES / UNDERTAKINGS

5.1 FMO warrants to GuarantCo and to the PIDG Trust, and the PIDG Trust and GuarantCo warrant to FMO, that in each case:

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

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

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

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

(b) its constitutional documents; or

(c) any order, judgment, injunction, or as far as it is aware any other restriction of any kind or character by which it is bound.

5.2 GuarantCo further warrants to FMO that:

5.2.1 it is a company duly incorporated under the laws of Mauritius and has the requisite power and authority to conduct its business as described in Clause 2.1 of this Agreement;

5.2.2 the provisions of this Agreement are valid and enforceable under the laws of Mauritius;

5.2.3 the particulars of GuarantCo set out in Schedule 2 are correct;

5.2.4 GuarantCo has not entered into or agreed to enter into any guarantee or counter-guarantee except (i) for the documentation relating to the guarantee in respect of medium term secured notes of up to Kshs 4,500,000,000 arranged for Celtel Kenya Ltd, (ii) as expressly contemplated by this Agreement, or (iii) as reflected in the Accounts;

5.2.5 GuarantCo holds a category one global business licence issued by the FSC to carry on the business set out in its business plan as submitted to the FSC and is authorised by the FSC to provide financial guarantees in accordance with the Purpose;

5.2.6 the Guarantee Policy has been duly adopted by GuarantCo; and

5.2.7 except as referred to in this Agreement (and in particular Paragraph (C) of the Introduction) or as set out in the Constitution, no person has any right, contingent or otherwise, to subscribe for or otherwise to acquire any shares or other securities of GuarantCo.

5.3 GuarantCo on the relevant Subscription Date in respect of each Subsequent Subscription further warrants to FMO that the statement set out in Clause 5.2.5 remains true and accurate.

5.4 GuarantCo hereby undertakes to FMO that:

5.4.1 it will at all times conduct its business in accordance with the Guarantee Policy and comply with OECD Principles of Corporate Governance issued from time to time to the extent applicable for GuarantCo;

5.4.2 it will procure that the audited financial statements it produces in respect of each Accounting Period are prepared in accordance with IFRS;

5.4.3 it will 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;

5.4.4 internal procedures and controls have been instituted 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;

5.4.5 it will provide to FMO the following:

(i) at least twenty (20) days before the start of each Accounting Period a copy of GuarantCo's business plan for such Accounting Period;

(ii) within forty-five (45) days after the end of each calendar six (6) month period, a copy of GuarantCo's unaudited financial statements for such six (6) month period and a progress report on the status of the activities of GuarantCo including any special reports relating to the investments of GuarantCo in such form and details as FMO may reasonably require;

(iii) within one hundred and twenty (120) days after the end of each Accounting Period, a copy of GuarantCo's audited financial statements for such Accounting Period prepared in accordance with IFRS together with an audit report thereon signed by GuarantCo's auditors;

(iv) within forty-five (45) days after the end of each Accounting Period, an overview confirming that all guarantees have been reviewed with comments describing any risk of calling any of the guarantees;

(v) an annual management assertion, together with an attestation from the PIDG Trust's external auditors, of the satisfactory performance of the procedures and controls used by the trustees of the PIDG Trust in administering the funds of the PIDG Trust, within four (4) months from the end of the financial year to which the attestation relates;

(vi) at least fourteen (14) days' notice (or such other period of notice as permitted by the Constitution) of the calling of any meeting of Shareholders indicating the agenda thereof, and as soon as available thereafter the minutes of such meeting;

(vii) prompt notice of any proposed change in the purpose, nature or scope of the business or operations of GuarantCo;

(viii) prompt notice of any default by a Guaranteed Entity under any agreement between such Guaranteed Entity and GuarantCo, or any event or condition which may otherwise result in a call on any guarantee facility offered by GuarantCo; and

(ix) prompt notice of any litigation which is reasonably likely to affect, materially and adversely, GuarantCo or FMO,

and the PIDG Trust undertakes to use its reasonable endeavours to procure that, in so far as it lies within its power to do so, GuarantCo complies with its obligations under this Clause 5.

5.5 Each of the Warranties set out in this Clause 5 is separate and independent.

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

"**Claim**" means a claim under the Warranties;

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

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

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

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

5.6.3 No Party will be liable for a Claim unless:

(a) the amount of a Substantiated Claim, or of a series of connected Substantiated Claims of which that Substantiated Claim is one, exceeds ten thousand US Dollars (US $10,000);

(b) the amount of all Substantiated Claims that are not excluded under Clause 5.6.2(a) when taken together exceeds fifty thousand US Dollars (US $50,000) in which case, the whole amount (and not just the amount by which the limit in this sub-clause is exceeded) is recoverable.

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

5.6.5 No Party is liable for a Claim unless the Party making the Claim has given notice in writing of the Claim to the Party against which the Claim is made, specifying in reasonable detail the nature of the Claim and the amount claimed, within the period of (as the case may be) one (1) year beginning with the date of the Initial Subscription or, in respect of any Warranty given by GuarantCo to FMO pursuant to Clause 5.3, one (1) year beginning with the date of each Subsequent Subscription by FMO hereunder.

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

6. COMPLETION

6.1 Subject to Clause 4, completion of the Initial Subscription shall take place on the Subscription Date set out in the relevant Subscription Request at such time and place as the Parties shall agree (the "**Completion Date**").

6.2 At completion of the Initial Subscription, GuarantCo shall, in accordance with Clause 3.1.5, procure that meetings of the Board and of the Shareholders are held or written resolutions passed at/by which it is resolved that subject to FMO paying the subscription moneys:

6.2.1 FMO (or its nominee) shall be allotted the number of Shares for which it has agreed to subscribe in Clause 4.1;

6.2.2 FMO (or its nominee) shall be entered in the register of members of GuarantCo as the holders of such Shares allotted to it and share certificates shall be issued accordingly.

6.3 Following completion of the matters described in Clause 6.2:

6.3.1 FMO shall pay in full for the Shares allotted to it (or its nominee) in immediately available funds in accordance with Clause 4.4; and

6.3.2 a certificate for the Shares allotted shall be delivered to FMO (or its nominees).

6.4 Subject to Clause 4, completion of each Subsequent Subscription shall take place on the Subscription Date set out in the relevant Subscription Request at such time and place as the Parties shall agree.

6.5 At completion of each Subsequent Subscription, GuarantCo shall, in accordance with Clause 3.2.3, procure that meetings of the Board and of the Shareholders are held or written resolutions passed at/by which it is resolved that subject to FMO paying the subscription moneys to GuarantCo:

6.5.1 FMO (or its nominee) shall be allotted the number of Shares set out in the relevant Subscription Request;

6.5.2 FMO (or its nominee) shall be entered in the register of members of GuarantCo as the holders of such Shares allotted to it and share certificates shall be issued accordingly.

6.6 Following completion of the matters referred to in Clause 6.5:

6.6.1 FMO shall pay GuarantCo in full for the Shares allotted to it (or its nominee) in immediately available funds in accordance with Clause 4.4; and

6.6.2 a certificate for the Shares allotted shall be delivered to FMO (or its nominee).

7. CONFIDENTIALITY

7.1 Subject to Clause 7.2, FMO undertakes to GuarantCo that it shall keep confidential all information of a secret or confidential nature received by it relating to GuarantCo.

7.2 Clause 7.1 does not apply to the disclosure of information:

7.2.1 to the extent that such information comes into the public domain (other than through a breach of this Clause 7) or as required by law or by any court or the FSC or any other regulatory body; or

7.2.2 to any of FMO's professional advisers provided that 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.

8. DISPUTES

8.1 **Governing Law:** This Agreement is governed by, and all disputes, claims, controversies, or disagreements of whatever nature arising out of or in connection with this Agreement, including any question regarding its existence, validity, termination or enforceability (a "**Dispute**") shall be resolved in accordance with the laws of England.

8.2 **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 material Dispute has arisen and the Parties are unable to resolve such Dispute within thirty (30) days of service of such notice, then such Dispute shall be referred to the respective chairmen or chief executives or their 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.

8.3 **Arbitration:** All Disputes which are unresolved by the chairmen or chief executives or their equivalents pursuant to Clause 8.2, 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.

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

8.5 **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-appeallable.

8.6 **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.

8.7 **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 8.3 including, if necessary, the grant of interlocutory relief pending the outcome of that process.

8.8 **Agent:** Each Party not resident in the United Kingdom hereby appoints the party set out against its name below as its agent for the service of process in England for any Dispute, service upon whom shall be deemed completed whether or not forwarded to or received by the relevant appointer:

FMO:
Royal Netherlands Embassy
38 Hyde Park Gate
London
SW7 5DP

GuarantCo:

CA Legal
St Nicholas House
St Nicholas Road
Sutton
Surrey

SM1 1EL.

9. NOTICES

9.1 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 9.2, or at such other address or facsimile number as such Party may hereafter specify for such purpose to the others by notice in writing.

9.2 The addresses referred to in Clause 9.1 are:

9.2.1 **GuarantCo:**

Standard Bank Trust Company (Mauritius) Ltd
Les Jamalacs
Vieux Conseil Street
Port Louis
Mauritius

Facsimile number: +230 202 4209
F.A.O. Company Secretary - GuarantCo Ltd

9.2.2 **FMO:**

Anna van Saksenlaan 71
2593 HW
The Hague
The Netherlands

Facsimile number: +31 70 314 9753
F.A.O. Manager - Portfolio Management, Africa Department

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

C/O SG Hambros Trust Company Ltd
41 Tower Hill
London EC3N 4SG
United Kingdom

Facsimile Number: +44 (0)207 702 9263
F.A.O. Linda Moss.

9.3 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.

10. GENERAL

10.1 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 Directors of GuarantCo appointed by them (or their alternates) give effect to the terms of this Agreement.

10.2 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.

10.3 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.

10.4 This Agreement and the documents referred to in it contain the whole agreement between the Parties relating to the transactions contemplated by this Agreement and supersede all previous agreements between the Parties relating to these transactions.

10.5 Each of the obligations and undertakings set out in this Agreement which is not fully performed at Completion will, to the extent it has not been formally waived, continue in force after Completion and will not be affected by any notice given under Clause 3.4.

10.6 This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any Party may enter into this Agreement by executing a counterpart.

10.7 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.

10.8 None of the rights or obligations under this Agreement may be assigned or transferred without each Party's written consent.

10.9 Any Party may release or compromise in whole or in part any liability 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.

10.10 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.

10.11 The provisions contained in each Clause of this Agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others is invalid; if any provision is void but would be valid if some part of it were deleted, the provision shall apply with such modification as may be necessary to make it valid.

10.12 In giving any opinion, approval, consent or waiver or refusing any opinion, approval, consent or waiver under this Agreement, FMO may act entirely at its discretion except where explicitly stated otherwise in this Agreement.

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

10.13.1 time is expressly stated to be of the essence in relation to that obligation;

10.13.2 one Party fails to perform an obligation by the time specified in this Agreement and the other Party serves 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.

10.14 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.

10.15 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.

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.

SCHEDULE 1

FMO SUBSCRIPTION

A Total Commitment	B Maximum no. of Shares to be subscribed on Initial Subscription	C Maximum amount payable on Initial Subscription	D Maximum aggregate no. of Shares to be subscribed on Initial and Subsequent Subscriptions
US $25,000,000	15,000,000	US $15,000,000	25,000,000

SCHEDULE 2

PARTICULARS OF THE COMPANY

Share Capital:	
Class	Ordinary shares of no par value
Issued	24,554,140
Shareholders:	
Name	Number of Shares:
SG Hambros Trust Company Ltd, Multiconsult Trustees Ltd. and Minimax Ltd as trustees of the Private Infrastructure Development Group Trust	24,554,140
Directors:	Irving Kuczynski, Keith Palmer, Hans Wasmus, Mokshda Beeharry, Beatrice Fok Chow
Secretary:	Standard Bank Trust Company(Mauritius) Limited
Registered office:	4th Floor Les Jamalacs Building Vieux Conseil Street Port Louis Mauritius
Company number:	58185/ C1/ CBL
Date of incorporation:	25th August 2005
Accounting reference date:	31st December
Auditors:	Baker Tilly

SCHEDULE 3

FORM OF SUBSCRIPTION REQUEST

To: [ ]

Date

Dear Sirs

Subscription Request - Subscription Agreement dated [ ] (the "Subscription Agreement")

Pursuant to Clause [ ] of the Subscription Agreement between ourselves and yourselves and the PIDG Trust, we hereby request the following proposed subscription of Ordinary Shares of no par value in the capital of GuarantCo:

1. Number of Ordinary Shares to be subscribed: [ ] Ordinary Shares

2. Subscription Date: [ ]

3. Amount: [ ]

4. Payment Instructions:

   Bank: [ ]

   Address: [ ]

   A/C Name: [ ]

   A/C Number: [ ]

[Initial Subscription] We confirm that (i) the matters warranted by GuarantCo in Clauses 5.1 and 5.2 of the Subscription Agreement are true and accurate at the date of this Subscription Request and will be true and accurate as at the Subscription Date specified above as if made at such date, and (ii) that the conditions set out in Clause 3.1 of the Subscription Agreement have been duly complied with.

[Subsequent Subscriptions] We confirm that (i) the matters warranted in Clause 5.2.5 of the Subscription Agreement are true and accurate at the date of this Subscription Request and will be true and accurate as at the Subscription Date specified above as if made at such date, and (ii) that the conditions set out in Clause 3.2 of the Subscription Agreement have been duly complied with.

Yours faithfully

For and on behalf of
Guarantco Ltd
Authorised Signatory

EXECUTED and **DELIVERED** as a **DEED by GUARANTCO LTD** acting by the identified person(s) acting on the authority of the said company in accordance with the laws of Mauritius:

Name/ Title:

Name/ Title:

EXECUTED and **DELIVERED** as a **DEED by NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.** acting by the identified persons acting on the authority of the said company in accordance with the laws of the Netherlands:

Name/ Title:

Name/ Title:

EXECUTED and **DELIVERED** as a **DEED** by the **PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST** acting by its trustees on the authority of the said trust in accordance with the laws of their respective jurisdictions of incorporation:

Name/Title
(authorised signatory for
SG Hambros Trust Co. Ltd)

Name/ Title:
(authorised signatory for Multiconsult Trustees Ltd)

Name/ Title:
(authorised signatory for
Minimax Ltd)

EXECUTED and **DELIVERED** as a **DEED** by **GUARANTCO LTD** acting by the identified person(s) acting on the authority of the said company in accordance with the laws of Mauritius:

Name/ Title:

Name/ Title:
BEATRICE FOK CHOW
DIRECTOR

EXECUTED and **DELIVERED** as a **DEED** by **NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.** acting by the identified persons acting on the authority of the said company in accordance with the laws of the Netherlands:

Name/ Title:

Name/ Title:

EXECUTED and **DELIVERED** as a **DEED** by the **PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST** acting by its trustees on the authority of the said trust in accordance with the laws of their respective jurisdictions of incorporation:

Name/Title
(authorised signatory for
SG Hambros Trust Co. Ltd)

Name/ Title:
(authorised signatory for
Multiconsult Trustees Ltd)

Name/ Title:
(authorised signatory for
Minimax Ltd)

EXECUTED and DELIVERED as a DEED by GUARANTCO LTD acting by the identified person(s) acting on the authority of the said company in accordance with the laws of Mauritius:

Name/ Title:

Name/ Title:

EXECUTED and DELIVERED as a DEED by NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V. acting by the identified persons acting on the authority of the said company in accordance with the laws of the Netherlands:

Name/ Title: R.J. Brouwer
Director Africa &
Investment Promotion

Name/ Title:

Nico K.G. Pijl
Chief Risk & Finance Officer

EXECUTED and DELIVERED as a DEED by the PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST acting by its trustees on the authority of the said trust in accordance with the laws of their respective jurisdictions of incorporation:

Name/Title
(authorised signatory for
SG Hambros Trust Co. Ltd)

Name/ Title:
(authorised signatory for
Multiconsult Trustees Ltd)

Name/ Title:
(authorised signatory for **Minimax Ltd)**

EXECUTED and DELIVERED as a DEED by GUARANTCO LTD acting by the identified person(s) acting on the authority of the said company in accordance with the laws of Mauritius:

Name/ Title:

Name/ Title:

EXECUTED and DELIVERED as a DEED by NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V. acting by the identified persons acting on the authority of the said company in accordance with the laws of the Netherlands:

Name/ Title:

Name/ Title:

Shirley H Barnes Director Rachel Fox DIRECTOR

Name/ Title
(authorised signatory for
SG Hambros Trust Co. Ltd)

EXECUTED and DELIVERED as a DEED by the PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST acting by its trustees on the authority of the said trust in accordance with the laws of their respective jurisdictions of incorporation:

Name/ Title:
(authorised signatory for
Multiconsult Trustees Ltd)

Name/ Title:
(authorised signatory for
Minimax Ltd)

EXECUTED and DELIVERED as a DEED by GUARANTCO LTD acting by the identified person(s) acting on the authority of the said company in accordance with the laws of Mauritius:

Name/ Title:

Name/ Title:

EXECUTED and DELIVERED as a DEED by NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V. acting by the identified persons acting on the authority of the said company in accordance with the laws of the Netherlands:

Name/ Title:

Name/ Title:

EXECUTED and DELIVERED as a DEED by the PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST acting by its trustees on the authority of the said trust in accordance with the laws of their respective jurisdictions of incorporation:

Name/Title
(authorised signatory for
SG Hambros Trust Co. Ltd)

Name/ Title: LOUIS EMMANUEL NG CHEONG TIN
DIRECTOR
(authorised signatory for
Multiconsult Trustees Ltd)

Name/ Title: YUVRAJ KUMAR JUGHEER
DIRECTOR
(authorised signatory for
Minimax Ltd)