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Policy on FMO Corporate Positions

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1 Introduction

In its investment operations, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("**FMO**") from time to time obtains the right to nominate individuals to corporate positions at Companies: non-executive positions on the (Supervisory) Board of Directors, as well as positions in the Advisory or Investment Committee of an investment fund.

This Policy provides the framework for the nomination of such individuals: *i.e. the when, why, who and associated procedures.*

As such, this Policy replaces and supersedes FMO's existing Policy documents "*Beleid inzake Commissariaten FMO bij Participaties*" (2002) and "*Appointment of AC/IC/Board Members*" (2008), the Policy on FMO Corporate Positions dated 30 March 2011, the Policy on FMO Corporate Positions dated 10 May 2012 and the Policy on FMO Corporate Positions dated 17 October 2013.

2 Definitions

"**AC**" means the advisory committee of a Company (mostly, an investment fund).

"**Board**" means in respect of a one-tier board structure, the board of directors of the Company or any other corporate body that pursuant to the Company's corporate documents or Local Law is entrusted with the powers and responsibilities of executive and non-executive directors, and in respect of a two-tier board structure, the supervisory board of the Company or any other corporate body that pursuant to the Company's corporate documents or Local Law is entrusted with the powers and responsibilities of non-executive directors.

"**Candidate**" means an Internal Candidate or an External Candidate for a corporate position, as the case may be.

"**Closely-held Company**" means a privately held company with a limited number of shareholders.¹

"**Code of Conduct**" means FMO's Code of Conduct for FMO Directors appointed on FMO's nomination, attached hereto as Annex II.

"**Company**" means a company, corporation, fund, partnership or other entity in relation to which a Candidate is appointed Director, IC member or AC member upon FMO's nomination.

"**DFI**" means any Development Finance Institute.

"**Director**" means a member of the Board of a Company.

"**Director / IC Member Memo**" means the (template) memorandum for nomination of Board and IC positions to be completed and approved in accordance with section 5.2

¹ Normally, "limited" means a number of less than 10 shareholders, but the number needs to be finally assessed by taking local practices into account.

(Director / IC Member Memo (for new and continuation of Board and IC seats), attached hereto as Annex III.

“**External Candidate**” means an independent expert identified and deemed suitable by FMO, in accordance with the requirements as set forth in this Policy, to be nominated by FMO for a Board seat or IC position at a Company.

“**Internal Candidate**” means an FMO employee identified and deemed suitable by FMO, in accordance with the requirements as set forth in this Policy, to be nominated by FMO for a Board seat, IC or AC position at a Company.

“**IC**” means the investment committee of a Company (mostly, an investment fund).

“**IO**” means an FMO employed (senior) investment officer.

“**IRC**” means the FMO Investment Review Committee.

“**Local Law**” means all applicable local laws and regulations, legally binding principles, case law or any other enactment or rule of law of the country a Company is established or acting in, which governs the activities of a Director, IC or AC member.

“**MB**” means FMO’s Management Board.

3 Objective of Corporate Positions

FMO is selective in the nomination of individuals to corporate positions. The objective for any nomination is to add significant value to the governance of the relevant Company and/or to strengthen the environmental, social and governance (ESG) standards and practices of the Company.

As such, individuals nominated by FMO to corporate positions are to be qualified, committed, and to act – at all times – for the benefit and in the best interest of the Company.

The Policy is organized as follows:

Section 4 provides the Policy principles, detailing *when, why, and whom* to nominate to corporate positions.

Section 5 provides the internal FMO processes of nominations.

Section 6 discusses the key terms and conditions of nominations.

Of note is that many of the considerations set forth in Sections 4 and 5 of this Policy are not applicable to Candidates for ACs, given that ACs are typically viewed as representative bodies of selected investors with no fiduciary duties towards the Company. (See also Annex I.)

4 Policy Principles

For the purpose of this Policy, the following distinctions are made in order to guide FMO’s decision *when, why, and whom* to nominate to corporate positions.

First, distinction is made between types of companies FMO is investing in:

- (i) Widely-held companies (in which ownership is dispersed);
- (ii) Closely-held companies (in which ownership is concentrated);
- (iii) mature, deposit taking financial institutions; and
- (iv) investment funds.

Second, distinction is made between types of corporate positions (a general description of the different positions is provided in Annex I):

- (i) member of a Board;
- (ii) member of an IC; and
- (iii) member of an AC.

Third, distinction is made between Boards that only comprise shareholder representatives in Closely-held companies and Boards that show a higher level of sophistication, namely including non-executive Directors other than shareholder representatives and/or independent Directors.

Finally, distinction is made between types of Candidates for corporate positions:

- (i) Internal Candidates; and
- (ii) External Candidates.

Based on the above categorizations, FMO's Policy principles can be summarized as follows:

TABLE 1 - SUMMARY POLICY PRINCIPLES CORPORATE POSITIONS

Position	why	Who
<u>Director at:</u> > Widely-held companies > Mature, deposit taking financial institutions	> To improve corporate governance > To add significant value	> External Candidate
<u>Director at:</u> > Closely-held Companies	> To improve corporate governance > To add significant value	> External Candidate > Internal Candidate (see Table 3 below (<i>Conditions for Directors/IC members/AC members</i>))
<u>IC member at:</u> > investment funds	> To add significant value to investment related decisions	> External Candidate > Internal Candidate (see Table 3 below (<i>Conditions</i>

		<i>for Directors/IC members/AC members)</i>
<u>AC member at:</u> ➤ investment funds	➤ To monitor strategy and performance of the fund and get engaged in contractually defined areas such as conflict of interests, review of valuations, etc.	➤ Internal Candidate (preferably the responsible IO or manager) (see Table 3 below (<i>Conditions for Directors/IC members/AC members</i>))

The table below summarizes FMO's eligibility requirements with regard to Candidates:

TABLE 2 – Eligibility requirements for Directors / IC members

Candidate	Eligibility requirements
Internal Candidate	<ul style="list-style-type: none"> ➤ Internal Candidate's profile, expertise and experience match Company's needs. ➤ Internal Candidate to make sufficient time available to serve in the corporate position. ➤ Internal Candidate to fully understand responsibilities and potential liabilities. ➤ Internal Candidate is aware that s/he acts strictly for the benefit and in the best interest of a Company and needs to disclose any (potential) conflicts to the Board/IC in which s/he serves. ➤ Director training program to be completed within one year of appointment (not required for IC and AC seats). ➤ Internal Candidate to a Closely-held company is acceptable if the company does neither plan to distinct shareholder and board levels in the near future nor to introduce other type of Board members than shareholder representatives. ➤ Board committee participation (such as Audit Committee) and Chair of a Board Committee is encouraged.
External Candidate	<ul style="list-style-type: none"> ➤ External Candidate's profile, expertise and experience match Company's needs. ➤ External Candidate to make available sufficient time to serve in the corporate position. ➤ External Candidate to fully understand responsibilities and potential liabilities.

	<ul style="list-style-type: none"> ➤ External Candidate is aware that s/he acts strictly for the benefit and in the interest of a Company and needs to disclose any (potential) conflicts to the Board/IC in which s/he serves.
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The Table below summarizes FMO’s conditions with regard to Candidates:

TABLE 3 – Conditions for Directors/IC members/AC members

Candidate	Conditions
Internal Candidate	<p>Board</p> <ul style="list-style-type: none"> ➤ Restrict nomination as: Executive director; Alternate director, unless obligatory pursuant to local law and/or regulations or the investee company’s bylaws; Director of a listed company; Director in cases in which FMO provides equity and debt to a Company and FMO is arranging the debt component on behalf of 3rd parties (arranger/leader syndicated loan or club deal, leading agent, etc.); and Board - and IC member or AC member (vested in the same person) simultaneously at the same Company. ➤ Nomination of observers to Boards of Directors is not recommended, but acceptable in exceptional cases, such as, but not limited to, the nominee observer complements the skill set of the nominee Director. Such exceptional cases are jointly to be determined by the Corporate Governance Unit and the originating Department. Of note is that occasional attendance of a Board of Directors’ meeting by the responsible FMO IO/Portfolio Analyst is not considered as a nominee observer ship. ➤ No more than four Board positions and/or IC positions in total per Internal Candidate at the same time. ➤ No functioning as the Chairperson of a Board. (Chair of a Board Committee is possible and encouraged.) ➤ Board committee participation (such as, for example, Audit Committee) to be included in the Director / IC Member Memo. ➤ FMO Senior Management (MB members) are NOT to serve in any corporate positions with the Companies. ➤ Front Office Directors not to serve as Director on a Company within their portfolio; ➤ Managers not to serve as Director on a Company within their

	<p>portfolio unless their portfolio responsibility for the Company is transferred prior to nomination to another Manager or Front Office Director of his/her department.</p> <ul style="list-style-type: none">➤ FMO Directors and Managers of the Investment Mission Review (IMR) Department not to sit on Boards.➤ Internal Candidates to be nominated (i) once only equity is provided and (ii) will not be responsible for follow-up investments.➤ Internal Candidates appointed to the Board of a Company shall not formally represent FMO in shareholders' meetings of that Company, unless there are no items on the agenda of a shareholders' meeting that are to be contested by FMO. If there are items on the agenda to be contested, the responsible IO has to represent FMO at a shareholders' meeting (under an unrestricted Power of Attorney).➤ Joint nomination together with other DFI(s) of an Internal Candidate can be made on a rotating basis among co-investing DFIs successively nominating different internal candidates.➤ Internal Candidate not to be nominated close to his/her retirement for reasons only applicable to internal candidates.➤ Internal Candidate to be retired will be re-nominated after retirement as an External Candidate in their currently held position upon review of his/her Board member position by applying the annual Board position review template, attached hereto as Annex IV. In exceptional cases and in the discretion of the originating department and the Corporate Governance Unit a 1-year "cooling-off" period can be applied to retirees "collecting" board seats shortly before their actual retirement, however such 1-year "cooling-off" period is mandatory to retiring members of FMO's Management Board. Such "cooling-off" period will start at the actual retirement date of the relevant FMO employee until the date 1 (one) year thereafter.➤ Once the IRC decides to refer an investee company where an Internal Candidate is nominated in a board position to the Special Operations Department for consultation, the IRC and/or the Special Operations Department in close cooperation with the Corporate Governance Unit can decide to revoke such Internal Candidate. Same applies once the investee company is transferred to the Special Operations Department. <p>IC</p> <ul style="list-style-type: none">➤ IC should be independent of management team.➤ Only to be nominated in first time funds for the life of that fund.
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	<ul style="list-style-type: none"> ➤ Restrict nomination as: IC – and Board member or AC member (vested in the same person) simultaneously at the same Company. ➤ Not more than four IC positions and/or Board positions in total per Internal Candidate at the same time. ➤ Joint nomination together with other DFI(s) of an Internal Candidate can be made on a rotating basis among co-investing DFIs successively nominating different internal candidates. ➤ Internal Candidate not to be nominated close to his/her retirement only for reasons applicable to internal candidates. ➤ Internal Candidates to be retired will be re-nominated after retirement as an External Candidate in their currently held position following Board member a performance review for which the annual Board position review template, attached hereto as Annex IV, may serve as guidance. In exceptional cases and in the discretion of the originating department and the Corporate Governance Unit a 1-year “cooling-off” period can be applied to retirees “collecting” board seats shortly before their actual retirement. Such “cooling-off” period will start at the actual retirement date of the relevant FMO employee until the date 1 (one) year thereafter. <p>AC</p> <ul style="list-style-type: none"> ➤ Total of eight AC positions per Internal Candidate at the same time. AC positions in funds managed by the same Asset Manager/Private Equity firm count as one AC seat. ➤ No AC seat for the same Internal Candidate if already on the IC or the Board of the same Company.
External Candidate	<p>Board</p> <ul style="list-style-type: none"> ➤ A maximum of five non-executive Board positions. (A Chairman of the Board position counts for two regular Board positions.) ➤ No appointment as the Chairperson of a Board. (Chair of a Board Committee is possible and encouraged.) ➤ External Candidates appointed to the Board of a Company shall not formally represent FMO in shareholders' meetings of that Company, unless there are no items on the agenda of a shareholders' meeting to be contested by FMO. If there are items on the agenda to be contested, the responsible IO has to represent FMO at a shareholders' meeting (under an

	<p>unrestricted Power of Attorney).</p> <ul style="list-style-type: none"> ➤ Joint nomination together with other DFI(s) of an External Candidate shall be arranged by one of the DFIs under its external Director nomination regime and to be (additionally) covered by its and/or the investee company's D&O Liability Insurance. Such joint nomination shall be clearly communicated to the investee company's Board. ➤ Once the IRC decides to refer an investee company where an External Candidate is nominated in a board position to the Special Operations Department for consultation, the IRC and/or the Special Operations Department in close cooperation with the Corporate Governance Unit can decide to revoke such External Candidate. Same applies once the investee company is transferred to the Special Operations Department. <p>IC</p> <ul style="list-style-type: none"> ➤ IC should be independent of management team. ➤ Preferably only when (i) FMO is part of fund manager or is anchor investor or (ii) the fund is too small to attract strong IC members. ➤ No simultaneous nomination to IC and Board. ➤ Joint nomination together with other DFI(s) of an External Candidate shall be shall be arranged by one of the DFIs under its external IC nomination regime and to be (additionally) covered by its and/or the investee company's D&O Liability Insurance. Such joint nomination shall be clearly communicated to the investee company's Board.

5 Processes

This section discusses FMO's internal processes for the nomination of individuals to corporate positions.

5.1 Corporate governance review and Local Law review

Before FMO exercises its right to nominate anyone to a corporate position (except for ACs), the responsible IO is to carry out a corporate governance review of the Company [and start-up the Board member on-boarding programme (see 5.2 below).

The purpose of such corporate governance review is to identify the key corporate governance weaknesses and risks or opportunities of the Company and to prioritize improvements thereof.

Special attention is to be paid to the role, composition and functioning of the Company's Board as to determine any gaps and the subsequent requirements/profile of the Candidate to be nominated by FMO.

The responsible IO in close cooperation with the Corporate Governance Unit shall assess the (personal) liabilities a Candidate may incur due to his intended membership of a Board or an IC of a Company in respect of Local Law. The Corporate Governance Unit may recommend obtaining Local Law advice in case it is intended to nominate such Candidate in a country for which FMO has not yet obtained legal advice. General rule is that such advice will be at costs of the pertaining Front Office Department.

5.1.1 Tools

The tools needed to carry out the corporate governance review comprise of the FMO Toolkit(s) on Corporate Governance. The relevant toolkit is available in the Process Atlas.

5.1.2 Results

The responsible IO shall discuss the results of the corporate governance review with the Candidate and reflect the results in the Director/IC member memo, as further set out below. If obtained, Local Law advice is to be communicated to the Candidate.

5.2 Director / IC Member Memo (for new and continuation of Board and IC seats) and annual Board position review template

The form of the Director / IC Member Memo and of the annual Board position review template are attached hereto as Annex III and IV, respectively.

5.3 Approval and Renewal process

The approval and renewal process is summarized below:

Corporate position	Approval / Renewal / annual review procedure	Document
Directors	<ul style="list-style-type: none"> ➤ For new nominations: approval by relevant Manager of originating Department (with copy to Director of originating Front Office Department) + (Senior) Corporate Governance Officer + MB. ➤ For nomination renewals: approval relevant Manager originating Department + (Senior) Corporate Governance Officer. ➤ Annual overview report to MB. <p>N.B. in case of disagreement between the relevant Manager of the originating Department and the (Senior) Corporate Governance, the case and/or approval will be escalated to the Director of the originating Department.</p>	Director / IC Member Memo
IC members	<ul style="list-style-type: none"> ➤ For new nominations: approval by relevant Manager of originating Department (with copy to Director originating Department) + (Senior) Corporate Governance Officer + MB. 	Director / IC Member Memo

	<ul style="list-style-type: none"> ➤ Annual overview report to MB. <p>N.B. in case of disagreement between the relevant Manager of the originating Department and the (Senior) Corporate Governance, the case and/or approval will be escalated to the Director of the originating Department.</p>	
AC members	<ul style="list-style-type: none"> ➤ Verbal approval by relevant Manager. Written approval required only if the proposed AC member is not the IO or his manager. In such case same approval process as for IC seat. ➤ Annual overview report to MB. 	Notification by to Corporate Governance Unit/Corporate Governance Analyst by e-mail

5.4 Formalization²

Upon approval of the corporate position, FMO will provide the Candidate with:

- an FMO nomination letter, which contains the key terms and conditions of the nomination, to be counter-signed by the Candidate;
- the Code of Conduct, which the Candidate is to sign and abide by (only for Board positions), to be signed by the Candidate;
- an indemnity statement; and
- a copy of the local corporate governance principles and the Dutch Principles of Corporate Governance (only for Board positions). In case of a financial institution, also a copy of the local bank governance principles and the Dutch Banking Code can be added.

Separately, FMO will provide the Company with a nomination letter, nominating a Candidate for membership of the Board, IC or AC of the Company, to be counter-signed by the Company, if so required.

5.5 Annual Board positions review

All Director positions held by External and Internal Candidates are to be annually reviewed at the time the Company is scheduled for its annual Client Credit Review (CRR). To that effect the CRR template addresses such review and provides for a link to the annual Board position review template. The completed annual Board position review is to be filed in CRM on customer level 040. Board Material; 010. Appointment Documents.

² Templates of all applicable letters are available with the Corporate Governance Unit.

5.6 Cancellation

If FMO no longer wishes to maintain the Candidate it nominated, either because (i) FMO's involvement is no longer required, (ii) FMO is not satisfied with the achievement of objectives as set out in the Board/IC Member memo, from time to time, (iii) FMO deems the withdrawal of the Candidate appropriate due to unacceptable liabilities a Candidate might incur, (iv) the Candidate wishes to resign (on a two months' notice to FMO and the Company), or (v) for any other reason as determined by FMO in its sole discretion, FMO will send a termination letter to the Candidate and a resignation letter to the Company and shall ensure that the Candidate sends a personal resignation letter to the Company.

6 Key terms and Conditions

6.1 Term of nomination

Candidates for a Board position are nominated as from the date of FMO's nomination up to the date four years thereafter and can subsequently be renewed up to the date eight years thereafter or up to the date FMO's nomination is revoked (i) by FMO at its first request, (ii) by the Company in accordance with its relevant corporate documents or (iii) by the Candidate at his personal request.

Candidates for an IC are nominated only in first time funds as from the date of FMO's nomination until the end of the life of that fund or up to the date FMO's nomination is revoked (i) by FMO at its first request, (ii) by the Company in accordance with its relevant corporate documents or (iii) by the Candidate at his personal request.

Internal Candidates for an AC are nominated as from the date of FMO's nomination until the termination date of the Company or up to the date FMO's nomination is revoked (i) by FMO at its first request, (ii) by the Company in accordance with its relevant corporate documents or (iii) by the Candidate at his personal request.

6.2 Duties

The duties and performance requirements of Directors are set forth in the Code of Conduct, as attached hereto as Annex II as an integral part hereof. Directors shall accept and adhere to the Code of Conduct.

6.3 Communication with FMO

The Internal – or External Candidate may be in regular contact with the responsible IO for general discussion on the Company, the country/ies involved, for knowledge sharing and discussing his findings in respect of the achievement of the objectives set for his positions, provided that either:

- (i) the information shared is in the public domain; or
- (ii) FMO, as a shareholder, is entitled to access Board meeting minutes; or
- (iii) the Internal – or External Candidate obtained approval documented in the minutes of a Board meeting to share information with FMO; and

by so doing the Internal – or External Candidate is not in breach of his duty of confidentiality and loyalty to the Company.

6.4 Remuneration

Internal Candidates

Any remuneration and reimbursement of costs and expenses paid by the Company in respect of the Internal Candidate are for the benefit of FMO.

External Candidates

For External Candidates, remuneration and reimbursement of any costs and expenses are to be borne by the Company and to be paid directly to the External Candidate. Such remuneration is to be negotiated in the documentation phase, if not already arranged for in the Company's corporate documents.

In the event that remuneration and reimbursement of costs incurred by External Candidates are NOT adequately arranged for in the legal documentation or corporate documents, either the respective FMO department shall pay such remuneration or the remuneration may be paid out of FMO's Capacity Development funds, provided that such remuneration is approved (i) in accordance with the Capacity Development approval process and (ii) reflected in the Director / IC Member memo.

In case of payment out of FMO's Capacity Development funds, the applicable rules apply and shall be documented in the nomination letter to be counter-signed by the External Candidate.

In case of payment of remuneration and reimbursement of expenses by FMO, the External Candidate involved shall make a statement on his/her tax situation, which is solicited by FMO in the nomination letter.

6.5 Liabilities

Liabilities for Candidates may arise from Local Law, tort (non-contractual, non-criminal wrongdoing), wilful misconduct and/or gross negligence when carrying out their corporate positions, which could also (partly) result in liability towards the Company and its share- and stakeholders, especially in (near) bankruptcy situations. It is important to point out that Candidates can be imprisoned, fined, sued for losses, held personally liable, removed from office, disqualified, etc.

Local Law is most likely to be leading for the determination of liabilities of the holders of corporate positions. Accordingly, all Candidates will be encouraged to make themselves familiar with such potential liabilities under Local Law liability rules, prior to accepting FMO's nomination. FMO's Corporate Governance Unit can assist in obtaining Local Law advice.

6.6 Insurance and indemnification

The Company shall take out a Directors and Officers Liability Insurance or as the case may be a Professional Liability Insurance covering persons in corporate positions within the Company ("**D&O Insurance**"). FMO, as well as the Candidate, shall endeavour to ensure that such insurance is taken out by the Company without diminishing the Candidate's own responsibility to confirm the existence of such insurance cover. A copy of the cover is to be sent to FMO. The unavailability of proper D&O Insurance may be a reason not to nominate a Candidate or to reject the nomination on a case by case basis.

In case the Candidate is held liable due to the performance of his corporate position with the Company and a claim arises in respect thereof, the Candidate shall refer to the Company's D&O Insurance. In case the Company's D&O Insurance does not cover a claim or no D&O

Insurance is available with the Company, the Candidate may refer to FMO's indemnity statement. To that effect every Candidate will receive an FMO indemnity statement indemnifying the Candidate for all costs incurred in connection with a claim by a third party in respect of the corporate position nominated to.

6.7 Induction/on-boarding and Training

Induction/on-boarding

The potential candidates for a corporate positions will have to be subject to an induction/on-boarding program, details of which are set out in Annex V hereto.

Training

While External Candidates nominated to a Board or an IC are assumed to have previous experience in corporate positions, they may choose to attend the Board Leadership training program made available by FMO. For Internal Candidates nominated to a Board or IC, this training program is mandatory and should be completed within one year after appointment.

6.8 Board information storage

The Internal Candidate shall not store all Board correspondence (including minutes of Board meetings) in FMO's internally accessible data systems (storing in private folders on personal drives is allowed).

7 Reviewing the Policy

This Policy was first established in 2011 and was reviewed in 2012. Due to progressing understanding, certain provisions of this Policy were amended and approved by Management Board on 16 October 2013.

A next review of the Policy will be undertaken if and when considered necessary by either of the Corporate Governance Unit, (a) Front Office Director(s)/Manager(s) and Legal Department in consultation with the other parties.

ANNEX I - GENERAL DESCRIPTION OF CORPORATE POSITIONS

This Annex I forms an integral part of this Policy on FMO Corporate Positions.

Directors

Directors play a crucial role in the relationship between shareholders and management. The key tasks and responsibilities of Directors are laid down in the Code of Conduct.

Key principles:

- There should be a clear separation of duties between management, (executive and non-executive) directors and shareholders;
- In general, responsibilities of the Board include the following:
 1. assess the Company' strategy and performance of the Company;
 2. select and monitor the management;
 3. approve major transactions;
 4. approve the annual accounts;
 5. make recommendations to shareholders;
 6. monitor the financial position of the Company.
- Directors should act as a non-executive Directors for the benefit and in the best interest of the Company in accordance with Local Law.

IC members

The IC of a Company typically needs to approve all investment-related decisions of a Company, both at entry and at exit. As a general principle, the IC should be independent of a Company's management team.

The key tasks and responsibilities of IC members generally entail:

- allocating budgets for investment opportunities;
- voting on investment proposals and disposals;
- reviewing the fair value of the investment portfolio.

IC members should act for the benefit and in the best interest of the Company in accordance with Local Law.

AC members

The AC of aCompany would typically be formed to monitor a fund's performance and compliance with the defined investment strategy.

In general the tasks and responsibilities of an AC member entail:

- (i) reviewing and approving:
 - transactions that impose conflicts of interest;
 - methodology used for portfolio valuations;
 - portfolio valuations;
 - changes to the fund's investment strategy; and
- (ii) discussing with GP:
 - change of auditors;
 - compliance;
 - allocation of partnership expenses; and
 - team/key man development/changes.

ANNEX II – CODE OF CONDUCT

This Annex II forms an integral part of this Policy on FMO Corporate Positions.

Code of Conduct
for
FMO Directors

Definitions and Interpretation

In this Code of Conduct:

“Board” means in respect of a one-tier board structure, the board of directors of the Company or any other corporate body that pursuant to the Company's corporate documents or Local Law is entrusted with the powers and responsibilities of executive and non-executive directors and in respect of a two-tier board structure, the supervisory board of the Company or any other corporate body that pursuant to the Company's corporate documents or Local Law is entrusted with the powers and responsibilities of non-executive directors.

“Code of Conduct” means this code of conduct in which a set of rules outlining the rights responsibilities and proper practices of an FMO Director are laid down.

“Company” means the company, corporation, fund, partnership or other entity to which an FMO Director is appointed as member of the Board of [*insert name of FMO investee company*]

“Conflict of Interest” means any circumstance where personal interest can obscure personal judgement to the detriment of the Company's best interest.

“FMO” means Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., established in The Hague, The Netherlands and having offices at Anna van Saksenlaan 71, 2593 HW The Hague, The Netherlands;

“FMO Director” means the member of the Board who, pursuant to any contractual agreement or side letter between FMO, the Company and/or the Company's shareholders or other persons having an interest or participation in the Company, has been nominated by FMO and is or will be appointed by the Company as a Board member.

“Local Law” means any law, rule, regulation (including international treaty obligations), applicable in the jurisdiction of the country in which the Company is established or carries out its business and which governs the rights, responsibilities and actions of the FMO Director as a member of the Board.

“Related Party” means a controlling company, entities under common control, shareholders including members of their family and business associates, key management personnel and board members.

“Related Party Transaction” means a business deal or arrangement between Related Parties joined by a special relationship prior to the deal, including but not limited to business transactions between shareholders and corporation, issuing shares to related parties, executive compensation.

Obligations prior to appointment

1. Prior to the appointment of the FMO Director as member of the Board and at all times thereafter until termination of the FMO Director’s membership to the Board, the FMO Director shall obtain Local Law advice and/or adequately familiarise himself with Local Law to such extent that he is reasonably aware of his rights, obligations and (potential) liabilities as a Board member pursuant to Local Law.
2. The FMO Director shall (a) prior to his appointment as member of the Board, to the best of his ability ensure that the Company takes out a Directors and Officers Liability Insurance or a Professional Liability Insurance in the amount which is appropriate for the Company’s business covering any liabilities the FMO Director may incur in respect of his membership of the Board and (b) ensure to the best of his ability that the Company maintains such Directors and Officers Liability Insurance or Professional Liability Insurance for the duration of his appointment as a member of the Board.
3. In respect of on-boarding the FMO Director as a member of the Board (in close cooperation with the relevant FMO Investment Officer):
 - (a) he shall sign a Confidentiality Agreement with FMO and the Company;
 - (b) familiarize himself with the Company and FMO (including its development mandate), including but not limited to, by reviewing (i) the Company’s annual reports (last three years), (ii) FMO’s financial proposal and approval for the relevant investment, (iii) the Company’s shareholding structure and shareholding percentages in the Company, (iv) the composition of the Company’s Board;
 - (c) he should have a discussion with FMO’s Investment officer and FMO’s (Senior) Corporate Governance Officer on, including but not limited to, (i) the identified corporate governance weaknesses of the Board and the Company, (ii) FMO’s objectives to the Board position, (iii) Local Law issues, (iv) any relevant Company codes and policies, the country’s corporate governance code and this Code of Conduct;
 - (d) he should have an introduction meeting with (at least) the chairman of the Board and key management (preferably in person);
 - (e) he should discuss his remuneration package with the chairman of the Board.

Performance principles

4. An FMO Director shall to the best of his abilities ensure that the Board monitors the course of business of the Company and supervises the Company’s management.
5. The FMO Director shall at all times comply with Local Law and the Company’s corporate documents and shall to the extent legally possible adhere to the principles set forth in this

Code of Conduct. In case of a discrepancy between Local Law and this Code of Conduct, Local Law shall prevail.

6. An FMO Director shall act and decide, in good faith, with due diligence and care in the best interest of the Company.
7. An FMO Director shall act in accordance with decisions taken under the Company's corporate documents and shall not exercise his powers outside their proper purpose.
8. An FMO Director shall not, except where authorised to do so by the Company's corporate documents or any decisions taken under the Company's corporate documents:
 - (a) delegate any of his powers; or
 - (b) fail to exercise his independent judgement in relation to any exercise of his powers.
9. An FMO Director shall exercise the care, skills and diligence which would be exercised by a reasonably diligent person with the knowledge, skills and experience which may reasonably be expected of a director in such a position.
10. The FMO Director shall make himself adequately familiar with and remain informed about any developments in respect of the Company, the industry, the market and any other issues which may be relevant to the Company.
11. The FMO Director shall obtain to the best of his ability all information from the Company and its auditors necessary to carry out his role as a Board member sufficiently and shall attend at least 75% of the Board meetings annually scheduled to form a sound opinion and take sensible decisions.
12. The FMO Director shall refrain from any actions which may be considered as an action performed by an executive director of the Company.
13. The FMO Director shall not hold more corporate positions at any company than allowed for pursuant to Local Law and in any event no more than 5 non-executive positions in total at any time (a Chairman of the Board position counts for two regular Board positions).

Confidentiality principles

14. An FMO Director may not disclose any confidential information obtained during the course of his Board membership to any third party, and will refrain from disclosing confidential and/or sensitive insider information to anyone unless he is required to disclose such information pursuant to Local Law, any Dutch legal or statutory obligation, or is contractually allowed to disclose such information.
15. Notwithstanding the FMO Director's duties with regard to confidentiality, he may, to the extent (i) that the FMO Director has been appointed on the basis of a binding nomination from any specific shareholder (including but not limited to FMO) or group of shareholders and (ii) permitted by Local Law:

-
- (a) discuss with such shareholder or group of shareholders, in general terms, prior to any Board meeting, any agenda items for such Board meeting deemed by him to be non-confidential;
 - (b) report to such shareholder or group of shareholders on any issues deemed by him to be non-confidential that were discussed at any Board meeting attended;
 - (c) consult with such shareholder or group of shareholders on all matters deemed by him to be non-confidential, related to their interest in the Company,

provided that:

- (a) the FMO Director acts in the best interest of the Company; and
- (b) if the information disclosed to any specific shareholder or group of shareholders relates to matters relevant to all shareholders, the FMO Director shall use the best of his abilities to ensure that the Board provides all shareholders with that information.

16. The FMO Director may be in regular contact with the responsible FMO Investment Officer for general discussion on the Company, the country/ies involved, for knowledge sharing and discussing his findings in respect of the achievement of the objectives set for his position, provided that either:

- (a) the information shared is in the public domain; or
- (b) FMO, as a shareholder, is entitled to access Board meeting minutes; or
- (c) the FMO Director obtained approval documented in the minutes of a Board meeting to share information with FMO; and

by so doing the FMO Director is not in breach of his duty of confidentiality and loyalty to the Company.

17. Notwithstanding the FMO Director's duties with regard to confidentiality and loyalty to the Company, he shall treat all information obtained from FMO in the execution of his position as FMO Director as strictly confidential for the duration of this appointment and any time thereafter and not disclose such information to any third parties unless approved by FMO in advance and in writing.

Integrity principles

- 18. The FMO Director shall not own, buy, take, acquire or accept any shares in the Company. If acceptance of shares is legally required under Local Law, the FMO Director will hold the shares for the duration of his appointment as member of the Board and will, if necessary, exercise any rights and obligations attached to them diligently.
- 19. The FMO Director shall not enter into any transaction with the Company other than in direct relation to his membership of the Board.
- 20. The FMO Director shall not trade or cause trading of any shares in the Company.

21. The FMO Director or former FMO Director shall not gain personal profit from transactions or other actions of the Company for his own benefit or for the benefit of any related third party in respect of any corporate or commercial opportunity of the Company of which he became aware of during his membership of the Board.
22. The FMO Director or former FMO Director shall not accept any benefit which is offered to him by a third party because of the powers he has or has had as Board member or by way of reward for any exercise of his powers as such, nor accept during the terms of his membership of the Board any position at any competitor of the Company within three years after termination of his Board membership, without FMO's prior written consent.
23. If an FMO Director detects any indication of corruption within or related to the Company, he shall immediately (i) make the Chairman of the Board aware of the same and (ii) shall use his best efforts to ensure that the Board takes appropriate measures while taking into consideration all relevant interests.
24. The FMO Director shall during the term of his membership of the Board and three years thereafter adhere to the Company's Anti-Money Laundering, Ant-Corruption and Anti-Bribery policies, if in place.

Principles on (potential) Conflicts of Interest, Related Party Transactions and personal liabilities

25. An FMO Director shall upon becoming aware of a (i) (potential) Conflict of Interest, (ii) a Related Party Transaction or (iii) upon becoming aware of any potential and/or personal liabilities of material significance for the Company or the FMO Director:
 - (a) disclose to the Chairman of the Board, as soon as practicable, such matter in accordance with the confidentiality principles set out herein;
 - (b) take immediate action and shall to the best of his abilities ensure that the Board takes immediate action to avoid any negative effects by, including but not limited to, obtaining Local Law advice and/or resignation from the Board in case the FMO Director incurs or expects to incur undue personal liabilities;
 - (c) in the performance of his function as member of the Board reclude himself from any deliberation or any decision whether to authorise, procure or permit the Company to enter into a transaction or otherwise act related to such (potential) Conflict of Interest, Related Party Transaction or which may enhance his personal liability;
 - (d) reclude himself from any deliberation and any decision, other than set out in (c) above;
 - (e) forthwith disclose to the Chairman of the Board any (potential) Conflict of Interest or Related Party Transaction he is personally involved in related to the Company and which potentially may affect the Company and (i) shall reclude himself from any deliberation or any discussion within the Board on said personal Conflict of Interest or Related Party Transaction, (ii) shall strictly adhere to any decision made by the Board

in this respect or (iii) shall resign from the Board in case of materiality of such Conflict of Interest or Related Party Transaction.

Principles on insolvency

26. If an FMO Director at any time believes that the Company may at some point in the future be unable to pay its debts as they fall due, he shall, in the exercise of his powers and in accordance with applicable Local Law, make the Board aware hereof and take such steps as he believes will achieve a reasonable balance between:
- (a) promoting the success of the Company; and
 - (b) reducing the risk that the Company will be unable to pay its debts as they fall due.
27. At any time when an FMO Director is aware, or should reasonably be aware that there is a reasonable prospect of the Company going into insolvent liquidation he shall make the Board aware hereof and shall use the best of his abilities to ensure that the Board takes every step to minimise the potential loss to the Company's creditors in accordance with applicable Local Law.

End of term

28. The FMO Director shall resign within a reasonable term, but no longer than two months, upon receipt of a request in writing from FMO to that effect.
29. Should the FMO Director wish to resign he shall give FMO two months written notice and inform the Company at the same time.

Survival of principles

30. Upon resignation of the FMO Director (for whatever reason), the principles set out sections 14, 17, 18, 19, 20 and 21 (to the extent applicable) of this Code of Conduct shall be complied with by such FMO Director at all times until two years after termination of his Board membership.

FOR ACCEPTANCE AND ADHERENCE

Name:

Title:

Date:

ANNEX III – BOARD / IC MEMBER MEMO

This Annex III forms an integral part of this Policy on FMO Corporate Positions.

Board / IC Member memo

[To (for new Board and IC Member nominations only):

- (i) (Relevant) Manager of originating Department (with copy to Director originating Department);
- (ii) (Senior) Corporate Governance Officer;
- (iii) Management Board.]

[To (for extension Board nominations only):

- (i) (Relevant) Manager of originating department;
- (ii) (Senior) Corporate Governance Officer.]

From: [IO/PA]

Date:

Regarding: Request approval [new [Board]/[IC Member] nomination]/[extension Board nomination]

Client name: [] (the ["Company"/["Fund"]])

Equity share FMO : EUR (fair value) /% stake

[Note: The requirements and conditions to all nominations for corporate positions in FMO investee companies are documented in the Policy on FMO Corporate Positions (the "**Policy**") (see Process Atlas). Please check the Policy prior to (i) negotiations with a Candidate and (ii) completion of the Director / IC member memo. Terms and expressions used herein shall have the same meaning as assigned to them in the Policy.]

Existing/previous corporate positions with the Company:

- Mention previous and/or existing positions with the Company: [name[s], position, and period when active. If applicable, see CRM/Investment Relations/Details/Corporate Positions]

Rationale and key objectives for the Director/IC position

- Main conclusions of the Corporate Governance Review:
- Key deficiencies at the [supervisory] Board level with regards to skills and experience:
- Other weaknesses of the Company the Candidate could address:
- [Explain the need for a new [Board]/[IC Member] nomination:]

-
- [Explain the need for renewal of the Board nomination:]
 - Specify the expectations in respect of the [Board]/IC Member] nomination:
 - Which objectives the Candidate should work towards: [*specify in detail*]

Profile

- Who is going to fulfil the position: [*In case of External Candidate attach CV!*]
- Justify the Candidate:

Responsibility and liability

- Discuss with Corporate Governance Unit local law aspects in respect of [personal] liability of the Candidate (see section 5.1 of the Policy) and elaborate on results:
- Has the Candidate been made or will the Candidate be made aware of his responsibilities and (personal) liabilities (see also sections 5.1, 5.1.2, 6.2, 6.3 and 6.5 of the Policy): [*describe action (to be) taken*]

Terms and conditions

- Duration of nomination (see section 6.1 of the Policy):
- Compensation arrangements, including CD contribution (see section 6.4 of the Policy):
- The Company has taken out a D&O Liability Insurance (see section 6.6 of the Policy): [*yes, provide details: insurer, cover, duration & send insurance policy to Corporate Governance Unit*]/[*no elaborate why not and/or willingness to do so*]

FMO conditions

- Position meets the conditions of Tables 1, 2, 3 of the Policy: [*if not, explain*]
- Search for External Candidate: [*if not, explain*]
- Not chosen for an External Candidate: [*elaborate why not*]

Conflicts of Interest

External Candidate:

- The Candidate has any other relationship (for example, contractually or family-wise) with the Company other than the proposed future Board seat: [*describe*]
- Identify all potential conflicts of interest which may exist between the Board position and the other relationship of the Candidate with the Company: [*describe*]
- How are potential conflicts be managed (in case of any question, pls. consult the CG Officer beforehand): [*describe*]

Internal Candidate (FMO staff):

- Identify all potential conflicts of interest which may exist between the Board position and the Candidate's employment relation with FMO: [*describe*]
- How are potential conflicts be managed (in case of any question, pls. consult the CG Officer beforehand): [*describe*]

As agreed:

Date:

Signature:

(Senior) Corporate Governance Officer:
Manager:

Front

Office

Routing for new Board and IC Member nomination:

- 1) Obtain approval and signature of (Senior) Corporate Governance Officer;
- 2) Obtain approval and signature of (relevant) Manager of originating Department (with copy to Director originating Department);
- 3) Obtain approval of MB.

The CG Analyst arranges (i) for filing of the Board/IC Member memo with MB secretariat (Fridays before 15:00 hrs ensures discussion in MB meeting of Tuesdays next, and (ii) drafting and submitting the relevant nomination letters and further documentation.

Routing for extension Board nomination:

- 1) Obtain approval and signature of (Senior) Corporate Governance Officer; and
- 2) Obtain approval and signature of relevant Manager originating Department.

The CG Analyst arranges for drafting and submitting the relevant nomination letters and further documentation.

ANNEX IV – ANNUAL BOARD POSITION REVIEW TEMPLATE

This Annex IV forms an integral part of this Policy on FMO Corporate Positions

[NB: always address in all items below any changes since the previous review]

Company

- Name: *[insert full legal name]*
- FMO Equity share (fair value): EUR []
- FMO Equity share %: []%

Investment Rationale

[Briefly describe the original rationale for the investment in Company].

Current Company Board and Composition

- Total number of board members:
- Number of executive board members:
- Number of non-executive board members: *[total number]*, out of which are (i) *[number]* independent board members and (ii) *[number]* shareholder representatives
- Elaborate on mix of skills and knowledge of the board members and whether the mix of skills and knowledge of the board members (i) to the benefit of the Company and (ii) contributing to FMO's Investment Rationale
- Mention all board committees of the Board: *[Audit Committee, Risk Committee, Remuneration committee, etc.]*

Existing FMO Board member

- Name:
- Internal - or External Candidate:
- Background and expertise (in general terms):
- Membership of Company's board committees and role: *[Committee name and position (chairman, member)]*:
- Board positions held (other than with the Company) *[company name and number of executive and non-executive board positions]*:
- Relationship (other than current board position) with the Company (contractually/family-wise):

Objectives

- Initial objectives for nomination existing board member:
- Current objectives for board member:
- Which objectives have been achieved during review period:
- Objections for board member for upcoming review period:

Conflict of interest

- External Candidate: *[(i) indicate (potential) conflict(s) of interest between board position and other relationship with the Company, (ii) indicate (potential) conflict(s) of interest between current board position with the Company and board positions in other Companies and (iii) indicate how (potential) conflict(s) of interest under (i) and (ii) will be/are managed.]*

-
- **Internal Candidate:** [(i) indicate (potential) conflict(s) of interest between board position and FMO employment and (ii) indicate how (potential) conflict(s) of interest under (i) will be/are managed.]

Communication

- Number of contact moments with Board member during review period:
- Communication initiated by IO or by Board member:
- Communication by way of: [contact in person, e-mail, telephone]
- IO to value communication with Board member:

Terms

- FMO nomination date (and termination date, if known):
- Initial nomination period: [number of years as from FMO nomination date as per Board/IC Member memo/Management Board approval]:
- Remuneration paid by the Company and/or by FMO/CD/AEF/IDF: [amount and further details]
- Reimbursement travel and subsistence expenses (details) paid by the Company and/or by FMO/ AEF/IDF: [amount and further details]
- D&O Liability insurance with Company: [amount of coverage, name of insurance company, duration]
- Joint nomination with other DFI: [state name of other DFI and details of the arrangement]

Conclusion

- IO to value performance of Board member in respect of (i) FMO's investment rationale, (ii) current objectives and (iii) value add to the Company:
- Board member to be replaced or prolonged: [also address when nomination period will expire during the upcoming review period]

Action points IO/CG Unit

Action points IO/CG Unit: [address any action point to be undertaken by the IO or the CG Unit vs. the nominee director]

ANNEX V – INDUCTION/ON-BOARDING PROGRAMMES

This Annex V forms an integral part of this Policy on FMO Corporate Positions

(Potential) Board members

The (potential) Board Member on-boarding programme is comprised of the following steps:

- IO (in close cooperation with Corporate Governance Unit) identifies weaknesses in the Board (and the Company) by performing the corporate governance review;
- Corporate Governance Unit (in consultation with Legal Department) checks the relevant legal documentation;
- IO discusses with Corporate Governance Unit the results of the corporate governance review and establishes the profile of a potential Board member (age, gender, knowledge/experience, expertise);
- IO and Corporate Governance Unit (and the chairman of the Company's Board/Key Management) identify a potential Board member;
- IO approaches the potential Board member;
- The potential Board member signs a Confidentiality Agreement between FMO, the Company and the potential Board member.
- IO discusses the Company with the potential Board member in brief;
- IO (further) introduces the potential Board member to the chairman of the Company's Board of Directors/key management, preferably in person;
- IO, chairman of the Company's Board of Directors/key management discuss remuneration and reimbursement package for the potential Board Member (if Capacity development support is required the IO shall contact the relevant Capacity Development Officer);
- IO and Corporate Governance Unit discuss with the potential Board Member (i) the Company and FMO (incl. its development mandate), (ii) the results of the corporate governance review and (iii) the remuneration/reimbursement package. The potential Board Member is to be provided with FMO's Financing Proposal (FP), an overview of the Company's Board structure, the Company's Annual Accounts (last 3 years), the objectives of the Board position, the Company's relevant Company codes and policies, Local Law advise and/or any other local requirements/the country's Corporate Governance Code and FMO's Code of Conduct;
- IO and Corporate Governance Unit write a Board member memo and obtain MB approval;
- IO communicates MB approval to the potential Board member and the Company;
- The Company arranges for fulfilment of all legal requirements for the appointment of potential Board member and communicates such requirements to the potential Board member and Corporate Governance Unit for completion. The Corporate Governance Unit will assist the potential Board member;

- Upon MB approval the Corporate Governance Unit sends the potential Board member and the Company the relevant nomination letters and documentation; and
- The Company will have the potential Board member appointed as Board member by the Company's annual general shareholders' meeting.

(Potential) IC members

The potential IC Member on-boarding programme is comprised of the following steps:

- IO and the Corporate Governance Unit identify a potential IC member;
- The Corporate Governance Unit (in close consultation with the Legal Department) checks the relevant legal documentation;
- IO approaches the potential IC member;
- The potential IC member signs a Confidentiality Agreement between FMO, the Company and the potential IC member.
- IO discusses the Company with the potential IC member in brief;
- IO (further) introduces the potential IC member to the Company's General Partner;
- IO and Corporate Governance Unit discuss with the potential IC Member (i) the Company and provide the potential IC member with such information as required for the proper exercise of that IC position;
- IO and Corporate Governance Unit write an IC member memo and obtain MB approval;
- IO communicates MB approval to the potential IC member and the Company;
- Upon MB approval the Corporate Governance Unit sends the potential IC member and the Company the relevant nomination letters and documentation; and
- The Company will have the potential IC member appointed as IC member.

AC Members

Upon verbal approval of an AC membership by the relevant Front Office Manager, the IO taking the AC position is to be briefed by the vacating IO on the following subjects:

- overview of the Company;
- description of the tasks of AC member as stipulated in the investment documentation; and
- any previous experiences gained from the AC position.

Appendix Document Management

Document approved by

Name	Function	Date
Management Board		16 October 2013
Management Board	Sent 140714 copy for information	14 July 2014

Document owner

Name	Function	Department
Corporate Governance Unit	(Senior) CG Officer/ CG Analyst	Private Equity Department/Corporate Governance Unit

Document location

SharePoint location

Versioning

Version	Date	Status	Author/Editor
4	14-07-14	Approved	Martin Steindl/Felicie Ameschot
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1		Approved	

Distribution

Name	Department
Management Board	Corporate Secretary
FO Directors	FI/Energy/A&DS/FM/PAR/FIM
FOM	Manager(s)
Legal Department	Director, Manager(s)
SO	Manager(s)
IMR	Director, Manager(s)
Capacity Development Program	Manager(s)