



Private Infrastructure  
Development Group  
Pioneering infrastructure changing lives

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# Conflicts of Interest and Market Abuse Operating Policy

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<b>Document audience:</b>	PIDG Trust, All PIDG Companies and PIDG Service Providers
<b>Document custodian:</b>	PIDG Ltd Chief Risk Officer
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## 1. Introduction

Ensuring that the integrity of decision-making within The Private Infrastructure Development Group (PIDG, as defined below) is not compromised by private interests of those working for and on its behalf is a core requirement of PIDG.

This document sets out PIDG's Conflicts of Interest and Market Abuse Operating Policy ("Policy") which includes minimum standards and controls designed to identify and mitigate the actual or perceived risks that may arise as a result of actual or potential conflicts of interest and access to inside information in the course of PIDG activities.

The principles and the practice suggestions in this Policy are not a substitute for any applicable law or regulation, nor are they intended to have any legal effect or to be used by any regulator. The objective is to raise and harmonise standards generally within PIDG in relation to conflicts of interest and the use and control of inside information.

## 2. Scope

This Policy applies to all activity undertaken by or on behalf of PIDG and extends to:

- The PIDG Trust and all PIDG Companies, i.e. The Private Infrastructure Development Group Ltd, InfraCo Africa, InfraCo Asia, The Emerging Africa Infrastructure Fund Ltd, GuarantCo Ltd and ICF Debt Pool LLP ("PIDG");
- PIDG employees, executive and non-executive directors, committee members, agency workers, volunteers, interns, consultants and contractors ("PIDG People");
- third-party service providers responsible for delivering the core activities of a PIDG Company ("Service Providers"); and
- persons and entities which receive funding from PIDG, e.g. project companies supported by InfraCo Africa and InfraCo Asia, borrowers of EAIF and recipients of guarantees from GuarantCo ("PIDG Recipients").

Where PIDG's ability to control or direct Service Providers or PIDG Recipients to comply with this Policy is constrained by external factors all reasonable endeavours will be made to require compliance with this Policy or another policy consistent with the principles of this Policy.

## 3. Definitions

### 3.1 Conflicts of Interest

A conflict of interest is a situation in which an individual who is in a position of responsibility has a competing professional or personal interest (which can include financial interests, related-party business undertakings, personal relationships, non-financial personal interests and affiliations with for-profit or non-profit organisations, or with political or professional organisations). Such competing interests can make it difficult to fulfil an individual's responsibilities impartially.

Such a conflict of interest may be an actual conflict, a potential conflict where personal and professional interests could conflict, or where it appears or could be perceived that personal interests may improperly influence professional duties.

### 3.2 Insider Dealing

Insider dealing can be defined as a deliberate exploitation of information by dealing in investments having obtained that information by virtue of some privileged relationship or position, with the objective of making a profit or avoiding a loss.

The UK Financial Services and Markets Act defines inside information as “information relating to particular securities or to a particular issuer or issuers of securities which has not been made public and which, if it were made public, would be likely to have a significant effect on the price or value of any securities”.

### 3.3 Market Abuse

Market abuse includes engaging or attempting to engage in insider dealing; recommending that another person engage in insider dealing or inducing another person to engage in insider dealing; unlawfully disclosing inside information; or engaging in or attempting to engage in market manipulation.

## 4. Policy

PIDG is committed to maintaining a control environment that is proportionate to the risks the group may face and effective in preventing and managing conflicts of interest and market abuse in the course of PIDG’s activities. PIDG seeks to strike a balance by identifying relevant risks, raising awareness of the circumstances in which conflicts of interest, insider dealing, and market abuse may arise, prohibiting unacceptable forms of private interest and activity which is or may be akin to market abuse.

PIDG Companies, Service Providers and PIDG Recipients are required to put in place appropriate procedures to effectively identify and mitigate actual or perceived conflicts of interest, insider dealing and market abuse. Where conflicts cannot be mitigated, procedures are required to effectively manage such conflicts.

## 5. Conflicts of Interest

Conflicts of interest can arise between:

- A PIDG Person and a PIDG Company and/or a Service Provider
- A PIDG Person/ PIDG Company/Service Provider and a project company or partner
- A PIDG Person/ PIDG Company/Service Provider and a supplier of goods or services
- Two or more PIDG Companies/Service Providers
- Two or more project companies and/or partners

Conflicts of interest can arise from a range of issues which include but are not limited to:

- Personal relationships: close relationships with a person or people who engage in some way with PIDG or the organisations with which we work.
- Other employment: Additional, outside employment and external roles such as non-executive directors are often subject to restrictions, depending on the nature of the work carried out and actual or perceived conflicts.
- Employment interest: Potential conflicts can arise during recruitment, when staff have additional outside interests and when staff move on to other roles.
- Gifts and hospitality: The giving or acceptance of gifts or hospitality to or from, e.g. suppliers, brokers, clients or with whom PIDG carries on business.
- Procurement interest: where individuals have relationships with a company (or its personnel) that has or may bid to provide goods or services.

- Pecuniary interest: For example, when an individual holds shares in an entity that could be affected by a project in which they are involved. Even past shareholdings can raise concerns.
- The existence of a conflict of interest may not, in and of itself, be evidence of wrongdoing.

## 6. Identifying, Mitigating and Managing Conflicts

To meet the objectives of this Policy, PIDG Companies, Service Providers and PIDG Recipients are required to put in place the measures set out below:

### 6.1 Identifying Conflicts

Procedures that ensure and enable those working for, and on their behalf, to identify and disclose all relevant private interests that potentially conflict with and may improperly influence their professional duties on commencement in office. The procedures should require prompt disclosure of all relevant information about a conflict when circumstances change after an initial disclosure has been made, or when new situations arise, resulting in an emergent conflict of interest.

Procedures should require sufficient detail to be provided on the conflicting interest to enable an adequately informed decision to be made about the management of the conflict of interest and place responsibility of the adequacy of the disclosure on the individual. Gifts and hospitality procedures should include guidance on materiality and financial thresholds.

### 6.2 Avoidance of Conflicts

Where a conflict is identified, seek to organise the PIDG business activities in a manner which avoids such a conflict. However, it is not possible to avoid/mitigate all conflicts and in such situations, adequate measures must be put in place to effectively manage such conflicts.

### 6.3 Monitoring Conflicts

Maintain a register of interests for its directors and officers at its main place of business or registered office. Where relevant, this should document measures taken to ensure that an identified conflict of interest has been appropriately mitigated and/or managed.

### 6.4 Inside Information

Adequate procedures for the use and control of inside information. These should recognise the responsibility to control access to inside information and reduce the risk of misuse. There should be clear responsibility for overseeing controls and procedures in relation to inside information.

### 6.5 Personal Account Dealing

Personal account dealing policy and procedures which should be made clear to all PIDG People and those working for and on behalf of the Service Providers and PIDG Recipients.

## 6.6 Training and Awareness

All PIDG People and those working for or on behalf of the Service Providers and PIDG Recipients should receive training in respect of awareness of conflicts of interest and the risks associated with engaging in market abuse including the use of inside information and applicable laws. Training should also include specific risks applicable to PIDG and the requirements set out in this Policy including associated guidance and standards as may be issued by PIDG Ltd from time to time.

## 7. Resolution and Management of Conflicts

The options for resolution and management of actual, potential and perceived conflicts of interest can include one or more of several strategies as appropriate, for example:

- divestment or liquidation of the interest;
- recusal from or the management or limitation of involvement in an affected decision-making process;
- restriction of access for the affected individual to particular information;
- transfer of the individual to duty in a non-conflicting function;
- re-arrangement of the individual's duties and responsibilities;
- assignment of the conflicting interest into a trust which will ensure independent administration of individual's personal interests to prevent conflict with professional duties;
- resignation of the individual from the conflicting private-capacity function; and/or
- disclosure of the conflict of interest to the affected parties.

## 8. Roles and Responsibilities

The Board of PIDG Ltd is responsible for approving this Policy following recommendation from the PIDG Ltd Risk Committee and is accountable to the PIDG Owners for the oversight and management of conflicts of interest, inside information and market abuse.

PIDG Ltd's Risk Committee is responsible for reviewing this Policy, ensuring the adequacy of PIDG's arrangements to manage conflicts of interest, inside information and market abuse, and monitoring compliance with this Policy.

PIDG Ltd's Chief Risk Officer (CRO) is responsible for the implementation of this Policy together with associated standards and guidance as appropriate. The CRO has overall responsibility for overseeing the identification and management of conflicts of interest, inside information and market abuse, unless the conflict relates to the CRO. The CRO shall periodically report to the Risk Committee of PIDG Ltd on the adequacy and effectiveness of PIDG's arrangements for management of conflicts of interest, inside information and market abuse.

Each PIDG Company shall (i) be responsible for ensuring its compliance with this Policy and associated standards and guidance as issued by PIDG Ltd from time to time, and (ii) take reasonable steps to ensure that equivalent arrangements are put in place in respect of each Service Provider and PIDG Recipient (where appropriate) to ensure their compliance with this Policy or another policy consistent with the principles of this Policy.

PIDG People shall be responsible for complying with this Policy and disclosing all interests and relevant conflicts of interest in a timely manner.