

Investment Committee Terms of Reference

7 December 2023

1. Membership

- 1.1 The committee shall comprise at least three directors.
- 1.2 Appointments to the committee are made by the board on the recommendation of the Nomination, Governance and Remuneration Committee in consultation with the chair of the committee and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the member still meets the criteria for membership of the committee.
- 1.3 Only members of the committee have the right to attend committee meetings. However, other individuals such as the Chair, CEO, and external advisers or other individuals may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.4 The board shall appoint the committee chair. In the absence of the committee chair, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the board.

2. Secretary

- 2.1. The company secretary, or their nominee, shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be three.

4. Frequency of meetings

- 4.1. The committee shall meet at least three times a year and otherwise as required.

5. Notice of meetings

- 5.1. Meetings of the committee shall be called by the secretary of the committee at the request of the committee chair or any of its members.
- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees, as appropriate, at the same time.

6. Minutes of meetings

- 6.1. The secretary shall minute the proceedings and decisions of all committee meetings, including recording the names of those present and in attendance.
- 6.2. Draft minutes of committee meetings shall be circulated to all members of the committee. Once approved, minutes should be made available to all other members of the board and the company secretary unless, exceptionally, it would be inappropriate to do so.

7. Conflicts of Interest

- 7.1. It is each member's responsibility to disclose any interests that could constitute an actual or perceived conflict of interest and, in such circumstances, they may absent themselves from voting. If the Chair decides in consultation with the other members (if necessary) that a member has an actual or perceived conflict of interest, the Chair may determine that the member absent themselves from a particular committee business and/or that a recommendation should be made to the board that such member be removed as a member. Any decision of the Chair (and/or of the board) shall be final and binding.

8. Engagement with Owners

- 8.1. The committee chair should attend the Annual Owners Meeting to answer any questions on the committee's activities.

9. Duties

- 9.1. The committee should carry out the duties below for the PIDG Ltd and the Group as a whole, as appropriate.

9.2. Investment and Divestment Strategy

The committee shall:

- 9.2.1. Assist the board in setting, guiding and overseeing implementation of the investment and divestment strategy for the PIDG Development Arm.
- 9.2.2. Assist the board to achieve the PIDG Group's strategic objectives for the Development Arm's activities and advise on how best to balance short, medium and long-term investment, divestment and development objectives (including financial and transformational impact and governance objectives).

- 9.2.3. Recommend investment, divestment and development approaches for the Development Arm to the board.
- 9.2.4. Recommend any changes required to the Development Arm's business model(s) to support the creation of financial, economic and developmental impact value in the short, medium and long term.
- 9.2.5. Advise the board on the appropriate level of investment and divestment risk to be taken for the Development Arm consistent with meeting the PIDG Group's strategic objectives.
- 9.2.6. Take into account the additionality of the investments submitted to the committee.
- 9.2.7. Take into account the impact of investment opportunities, divestment opportunities and PIDG company projects.
- 9.2.8. Review the Investment Policy and recommend any necessary changes as they relate to the Development Arm's activities to the board, on an ongoing basis.

9.3. Monitoring Investment Performance and Governance

9.3.1. The committee shall:

- a) Review the overarching principles of the Development Arm's investment, divestment and development mandates and any other PIDG company;
- b) Review the progress and performance of each investment opportunity and divestment opportunity that has been approved for investment by the Development Arm and any other PIDG company;
- c) Review the additionality and ex ante development and transformational impact of the Development Arm's investment activity;
- d) Monitor, in consultation with the other committees of PIDG Ltd and the PIDG executive, as applicable, the use of and requirements for capital by the Development Arm and any other PIDG company to ensure that the funding and expenditure needs of the relevant PIDG company and its projects are adequate and are met, and that capital is optimally allocated and procured and/or reserved to meet any reasonably foreseeable funding and expenditure requirements, applicable regulatory and risk requirements and benchmarks;
- e) Monitor and review the use of any funding commitments, collateral or other security arrangements in respect of credit risk exposures to third parties;
- f) Working with the relevant PIDG company executive and the PIDG executive advise the board on the appropriate quantitative and qualitative information to use in assessing Development Arm's investment, divestment and development performance over time; and
- g) Working with the PIDG executive and the relevant PIDG company executive (and/or the executive team of any other PIDG company if applicable) contribute to monitoring the capacity and performance of the Development Arm's investment staff and developers and advise the board on how to improve such capacity and performance).

9.3.2. Working with the PIDG executive and the relevant PIDG company executive, design and stipulate the form and items to be reported upon in relation to investment opportunities, divestment opportunities and the portfolio.

9.3.3. Where the committee is not satisfied with any aspect of the proposed investment or divestment reporting by the relevant PIDG company it shall report its views to the board.

9.4. Monitoring Investment Risk, including Market Risk and HSES Risk

9.4.1. The committee shall, in conjunction with the other committees of PIDG Ltd and the PIDG executive, as applicable:

- a) Advise the board on the Development Arm's investment, divestment and portfolio risk, including market risk, financial risk, regulatory risk, governance risk and HSES risk and mitigation strategies;
- b) Consult with the other board committees, the PIDG company board, the PIDG executive and the PIDG company executive, as applicable, on the Development Arm's investment, divestment and portfolio risk issues; and
- c) Contribute to the development and implementation of the PIDG Group's internal control principles and risk management systems.

9.5. Investment and Divestment Decision Making

9.5.1. Any determination of the committee made in respect of any matter for which it is empowered under these terms of reference or the approved Delegation of Authorities shall be considered as final and binding and no such decision shall be referred for the purposes of an appeal or otherwise to the board).

9.5.2. The committee shall, in relation to the Development Arm:

- a) Review, evaluate and consider whether to approve investment opportunities, divestment opportunities and portfolio matters, subject to working in conjunction with the relevant PIDG company executive committee/team (or equivalent) on such matters pursuant to the relevant PIDG company executive committee terms of reference (where applicable);
- b) Review, evaluate and consider any recommendations and/or concerns raised by the board, other committees of PIDG Ltd, PIDG executive, the relevant PIDG company board and/or the relevant PIDG company executive in relation to decisions made in respect of investment opportunities, divestment opportunities and/or the portfolio;
- c) Review, evaluate and consider recommendations and/or concerns by the relevant PIDG company executive (or equivalent), relevant PIDG company board and/or other committees of PIDG Ltd in respect of winding-down and/or impairment;
- d) Be accountable for all decisions on company and management of the portfolio, including decisions in relation to divestment, winding-down and the recommendation of any impairment together with rationale (having duly reviewed, evaluated and considered as contemplated above);
- e) Monitor and advise the board and the relevant PIDG company board on any recommended changes required to these terms of reference, the approved Delegation of Authorities, the relevant PIDG company executive committee terms of reference and/or in relation to new and/or previously approved investment opportunities, divestment opportunities and portfolio matters;
- f) Seek approval from the board of any proposed deviations from the Investment Policy; and
- g) Review and monitor the measures and controls that have been put in place by a PIDG company for managing actual or potential conflicts of interest with other PIDG companies (or internally if applicable), in particular in relation to investment opportunities that one PIDG company is recommending to the committee as an investment of another PIDG

company under a service level agreement. The committee shall request additional measures and controls where it deems necessary.

10. Reporting responsibilities

- 10.1. The committee chair shall report to the board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 10.2. The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for board discussion when necessary.
- 10.3. The committee shall compile a report of its activities to be included in the company's annual report, describing the work of the committee.

11. Other matters

The committee shall:

- 11.1. Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required.
- 11.2. Be provided by PIDG Ltd with appropriate funding to obtain advice and assistance from internal or external legal, accounting, or other advisors at PIDG Ltd's expense, without the prior approval of the board up to a maximum cost of £10,000.
- 11.3. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 11.4. Give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code and associated guidance and any other applicable rules, as appropriate.
- 11.5. Ensure that a periodic evaluation of the committee's own performance is carried out.
- 11.6. At least annually, review the committee's terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

12. Authority

The committee is authorised to:

- 12.1. Seek any information it requires from any employee of the company in order to perform its duties.
- 12.2. Call any employee to be questioned at a meeting of the committee as and when required.
- 12.3. Delegate any matter or matters to another committee or person(s) as it deems appropriate.
- 12.4. Publish in the PIDG Ltd's Annual Report details of any issues that cannot be resolved between the committee and the board.