



REQUEST FOR PROPOSAL – QUESTIONNAIRE

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1 TRANSFORMATION

Questions a.to c. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire. Answers should be sufficiently detailed with respect to race, gender, nationality and seniority.

- a. Ownership
- b. Management
- c. Staff

2 INVESTMENT STRATEGY

Questions a. to be answered as **YES** or **NO** only with reference to supporting documentation to be annexed to completed questionnaire.

- a. Is the Fund's strategy materially different from the previous fund?

Questions b.to m. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- b. Summarize your investment strategy and types of transactions you will pursue. Include details on anticipated transaction sizes (including minimum/maximum), investment space, holding periods, investment stage and other relevant characteristics). Explain the Fund's investment opportunity.
- c. Describe your value add/ project development of investments and exit theses.
- d. Provide a pro-forma portfolio schedule based on the targeted Fund size. Include the envisaged number of deals, the types of deals, returns (worst, average and best) and how will the returns be achieved.
- e. Discuss how the proposed investment strategy is similar to, or differs from, the prior investment and/or professional activities of the Investment Professionals.
- f. Does the Fund have any sector and/or regional/country focus? In the case of the Project Development Fund, indicate the specific economic sector(s) focus or capability from below list:
 - i. Agriculture and Agro-processing
 - ii. Mining, Beneficiation and Energy
 - iii. Manufacturing &ICT
 - iv. Infrastructure and Social Infrastructure
 - v. Financial and other services
- g. Are there any sectors or types of transactions/situations you would not invest in?

- h. Describe your preference for being a control, minority, joint or sole investor. What controls and rights do you seek when executing investments? If predominately a control investor, under what scenarios would you consider a non-control position (and vice-versa)?
- i. List what you believe are your most compelling competitive advantages compared with other players in the market.
- j. Please identify any competitors to the Fund and provide an analysis thereof.
- k. What opportunities exist that provide investors with an advantage through investment in the fund?
- l. Discuss your ability to invest at the Fund's targeted size. Address how the targeted fund size will impact on co-investing with Limited Partners and non-Limited Partners.
- m. What is the return-profile threshold (gross IRR, money multiples, etc.) for targeted investments? What is the expected holding period?

3 INVESTMENT PROCESS

*Questions a. to be answered as **YES** or **NO** only with reference to supporting documentation to be annexed to completed questionnaire.*

- a. Does the Firm have a dedicated operations team?

Questions b.to l. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- b. Provide a diagrammatical representation of the Fund's investment process.
- c. Discuss the procedures and systems in place that ensure cost-efficient, timely and secured execution of investments.
- d. Describe your deal sourcing capabilities and the process used to identify attractive investment opportunities. How is the sourcing process staffed, conducted and documented? What criteria is used to assess an investment's attractiveness? Describe the robustness and sustainability of your proprietary network of contacts used to identify opportunities. Discuss any organizations that you will not typically source deals from.
- e. Describe your screening and due diligence processes. How is each process staffed, conducted and documented? How long is the due diligence process? Will the investment team be in charge of the investment until exit, or will other professionals be

assigned post-acquisition? Include details on any due diligence checklists, internal reports, financial models and investment committee documents prepared.

- f. Describe any functions performed by third parties in the sourcing, screening and due diligence processes. Describe your decision making process for determining if a third party is used/not used.
- g. Detail your use of investment research in investment decision making.
- h. Provide examples of provisions that you incorporate in contracts to protect your investments.
- i. Discuss your approach to the valuation of investment opportunities and pricing discipline.
- j. Provide details on your internal decision-making and approval process, including details on the role, composition and function of the Investment Committee.
- k. Describe your criteria for evaluating follow-on investments. Include a description of the Fund's provisions for capital recycling and follow-on reserves.
- l. Discuss your strategy/criteria/plan for exiting investments. Include an analysis of past exits (IPO, trade sale, financial buyer, write-offs, etc.). Provide examples that illustrate your reasons for exit choices.

4 TEAM COMPOSITION

Questions a.to f. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Provide an overview of the Fund Managers investment team, including the shared work history of the Fund Managers Principals and Partners. Also, provide a description of each job title, detailing the responsibilities held by junior, mid-level and senior staff. Include detailed CV's. Specify if experience is related to any of the sector focus areas indicated above in 2 f.
- b. What is the size of personnel and AUM per investment professional?
- c. How many active portfolio companies is each investment professional responsible for (refer to your organogram)? In addition to active investments, how many deals in the pipeline is each investment professional responsible for? How were these numbers determined? What is your process for handling bandwidth during periods of peak activity?
- d. Is the CFO part of investment or support team?

- e. What is the number of other supporting staff?
- f. How does the team communicate internally? Discuss the co-operation and communication between your various offices, if applicable. How often do the different offices meet in person? How often do the different offices meet electronically/telephonically?

*Questions g. to m. to be answered as **YES** or **NO** only with reference to supporting documentation to be annexed to completed questionnaire.*

- g. Do you have the necessary capacity to execute the stated strategy and objective of the Fund?
- h. Is the team structure organizationally setup to be efficient and effective?
- i. Are there segregation of duties for decision making processes in terms of investment and operation support?
- j. Are there any known conditions (health, financial, litigation, personal, etc.) of any of the Firm's Principals that might influence their ability to execute their duties to the Fund or Firm?
- k. Has a "Key-Person" event occurred in the Firm's history?
- l. In addition to any "Key-Person" event, were there any significant staff departures (partner in the management company or director-level employee (or higher) with more than five years of history with the Firm) over the life of the previous funds?
- m. Is the Firm aware of any significant staff departures that are expected to occur between now and the end of the Fund's investment period?

5 EXPERIENCE OF THE CONSORTIUM

Questions a.to g. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Please state your technical and investment experience relevant to your task as a fund manager. Factors that will be considered in the evaluation will include experience in selected sectors in South Africa (particularly those in section 2f above), experience in investment value chain, which include origination, implementation of acquisition transactions, sourcing of debt, negotiation of relevant transaction agreements, value add/ project development and exit.

- b. Describe in detail experience in the sectors that the Fund will focus, include job description, role, results, highlight, number of years and awards.
- c. Provide the past and current returns (times money back) per transaction on transactions concluded by the Partners.
- d. Provide examples of active/exited investments with an investment multiple below 1.0 times money back. Discuss what went wrong, action taken, lessons learned and how (and when) outside experts were brought in.
- e. Describe any situation in which a portfolio company has filed for bankruptcy or failed to make payments under any secured or unsecured indebtedness during your period of ownership.
- f. Describe any qualified audit opinions received by the portfolio investments during your period of ownership.
- g. Describe the most appropriate private and public market benchmarks for the three most recent Fund's.

6 RECRUITMENT PROCESS

Questions a. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Describe your recruitment plans and procedures for hiring staff. To what extent are background checks involved and how are objective references obtained?

7 STAFF RETENTION

Questions a.to e. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Discuss your approach to staff retention and training.
- b. Discuss your historical experience in this area.
- c. Discuss any promotions that took place over the last year.
- d. Describe any staff departures within the past 5 years.
- e. Describe any significant staff departures (as noted above) that are expected to occur between now and the end of the Fund's investment period.

8 SUCCESSION PLANNING

Questions a.to d. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Describe the organizations succession planning.
- b. Provide development plans for Principals, Associates and Analysts.
- c. Discuss the presence of any key-man risk whereby a single person is excessively instrumental to the good running of the organization.
- d. Describe the circumstances of any “Key-Person” event in the Fund Managers history.
- e. Describe the steps taken by the Fund Manager to remedy the situation and the subsequent impact on any Fund Managers policies.

9 ALIGNMENT OF INTEREST

*Questions a. to e. to be answered as **YES** or **NO** only with reference to supporting documentation to be annexed to completed questionnaire.*

- a. Will any of the Firm’s Principals and/or affiliates elect to not invest in the Fund?
- b. Will any commitments from the General Partner and/or any of its Principals be leveraged or loaned?
- c. Will any commitments from the General Partner and/or any of its Principals be financed with deferred management fees?
- d. Will any commitments from the General Partner and/or any of its Principals be financed with assets from another investment managed by the Firm?
- e. Were there any carry clawback situations in any of the Firm’s prior funds?

Questions f.to g. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire. Answers should be sufficiently detailed with respect to race, gender, nationality and seniority.

- f. Fund Manager Contribution
- g. Carried Interest Split

10 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Questions f.to g. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Describe the types of investments for which you obtain Environmental Impact Studies? Provide examples of how these studies impacted your investment decisions?
- b. What are your ESG-related policies and how do ESG factors influence its investment beliefs?
- c. How do you identify and manage material ESG-related risks and use ESG factors to create value?
- d. What is your approach to quantifying or estimating the number of jobs your investments will be able to create? Provide examples of the methodology used in determining these estimates.
- e. How do you contribute to portfolio companies' management of ESG-related risks and opportunities?
- f. How can Limited Partners monitor and, where necessary, ensure that the Fund is operating consistently with agreed ESG-related policies and practices?
- g. What is your approach to managing and disclosing material ESG-related incidents at the General Partner and portfolio company level? Detail how you intend on fast-tracking BEE at the Fund Manager and Portfolio company level?

11 GOVERNANCE

*Questions a. to b. to be answered as **YES** or **NO** only with reference to supporting documentation to be annexed to completed questionnaire.*

- a. Is / will the Fund comply with King III?
- b. Is / will the Fund be a UN PRI signatory or any other?

Questions c. to g. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- c. What is the Audit Committee composition - independent non-executive members?
- d. Describe governing/advisory committees that impact the management or investment activity of the Fund. Include the committees:
 - vi. Mandate
 - vii. Composition
 - viii. Members
 - ix. Remuneration of members
 - x. Quorum requirement
 - xi. How decisions are approved

- xii. Detail how your policies (Compliance Manual, Code of Ethics, etc.) are supervised, monitored and enforced.
- e. Provide the Fund Managers Compliance Manual, Code of Ethics/Conduct and Conflicts of Interest Policy.
- f. How will investment opportunities be allocated between active funds? Discuss any funds and/or separate accounts with potential allocation considerations.
- g. Describe your policies on the handling and safeguarding of any material, non-public information? How are these policies communicated to employees?

12 PORTFOLIO MANAGEMENT

Questions a. to e. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. How do you generate a top-down house view which has the buy-in of investment professionals? (Portfolio allocation decision making process).
- b. Is there an internal forum for discussion on the actual portfolio status vs the top-down house view?
- c. Discuss your portfolio investment monitoring policy, including details about contact events (weekly, quarterly, board meetings, etc.). What information is required to be reported by the portfolio investments? Discuss your approach to board representation at its portfolio companies.
- d. Discuss the typical methods used to create value for your portfolio companies (restructuring, strategic re-positioning, leveraging, operational improvements, etc.). Discuss how your strengths in creating value for investments impact your sourcing capabilities. Provide case studies to illustrate your value creation capabilities.
- e. Discuss your approach to working with existing or new management teams at portfolio companies. Describe (citing examples) the strategies that are used to incentivize portfolio company management teams.

13 RISK MANAGEMENT

Questions a. to e. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Discuss the risk factors of the Fund (e.g. political risk, economic, financial, technology, business cycle, etc.) and the steps taken to mitigate these risks.

- b. Discuss your risk management approach. What types of risks are monitored and how are they measured? Are there dedicated employees assigned to the risk monitoring function?
- c. Discuss the degree to which risk management is embedded within your decision-making, portfolio management and operational processes.
- d. Is the investment team independent relative to the operational activities of the Fund Manager (segregation of duties)?
- e. Discuss your risk reporting capacity from a staffing perspective.
- f. How are the following being measured, monitored, reported, controlled and mitigated: fraud, system failures, business disruptions, fiduciary breaches, human negligence and errors?
- g. Describe your processes for protecting against fraud and corruption, post-investment. If applicable, discuss any fraud and/or corruption that was detected in prior investments
- h. Is there an operational risk framework in place?
- i. Discuss the Fund's investment restrictions.
- j. Discuss the Fund's exposure and concentration limits with regards to sector and asset class.
- k. Discuss the Fund's counterparty exposure limits.
- l. What risk estimation techniques are being used: scenario analysis & stress testing methods?
- m. Provide the latest internal and external audit findings.
- n. Are you aware of any manageable conflicts of interest, actual or potential? If so, please describe these conflicts and how you propose to manage them.
- o. Please describe how you would deal with any potential conflict of interest which may arise in the future.

14 FIRM: GENERAL INFORMATION

Questions a. to e. to be answered as **YES** or **NO** only with reference to supporting documentation to be annexed to completed questionnaire.

- a. Does the Firm have any existing business lines that are unrelated to the Fund's investment strategy?
- b. Has the Firm or any affiliated entity ever failed to make payments under any secured or unsecured indebtedness?

- c. Has the Firm or any affiliated entity ever filed for bankruptcy?
- d. Will the Firm or any of its Principals conduct outside business or investment management activities during the investment period of the Fund?
- e. Will the Firm or any of its Principals conduct outside activities (non-profit, academic, etc.) that are expected to take-up a significant (approx. $\geq 20\%$) amount of time during the investment period of the Fund?

15 FUND: GENERAL INFORMATION

*Questions a. to b. to be answered as **YES** or **NO** only with reference to supporting documentation to be annexed to completed questionnaire.*

- a. Will the Fund offer co-investments?
- b. Outside of the General Partner, will non-limited partners affiliated with the Firm be prohibited from investing or holding an ownership interest in the Fund's investments?

16 FUND ADMINISTRATION

Questions a. to e. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Is the Fund Managers Fund administration performed internally or outsourced?
- b. Describe the activities of the Fund Managers support functions (Finance and Fund Administration, Human Resources, Compliance/Legal, etc.).
- c. Detail the processes and procedures for capital movements (capital calls, transfers of cash, investment acquisitions and distributions).
- d. Provide examples of capital call and distribution notices.
- e. Detail the cost associated with the Funds administration discussed above.

17 COMPLIANCE

Questions a. to d. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Discuss your compliance policies. Include information on the procedures and internal controls in place to prevent the Fund from being used to launder money, finance

- terrorist activities, be used for personal gain, and to identify and mitigate conflicts of interest.
- b. Describe any review or assessment of conflicts of interest performed in the last year. Identify any findings, as well as any changes or proposed actions to address the findings.
 - c. Describe the regulatory bodies that have oversight of the Fund Manager, including any Investment Advisor or broker-dealer registrations. Identify your policies for remaining compliant with these bodies.
 - d. Are the following policies available and documented:
 - i. Personal trading activity: any past occurrence of this event? (Personal co-investment rules and occurrences)
 - ii. Fair dealing and treatment of clients. Description of exceptional instances.
 - iii. Consistency with investment mandate

18 TECHNOLOGY

Questions a. to f. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. List and describe any software that the Fund Manager uses for business functions like portfolio management, administration and risk?
- b. What front-office systems do you utilise (e.g. portfolio simulation and construction tools, EFront)?
- c. What risk management systems do you utilise (Analytics tools, how is portfolio construction managed)?
- d. Middle and back-office systems
 - i. Security master file
 - ii. Compliance application,
 - iii. Reporting and performance measurement systems
 - iv. Book keeping & Reconciliation tools
 - v. Accounting system
- e. What is the Fund Managers IT security (data back-up, disaster recovery procedures)?
- f. Provide the Fund's Disaster Recovery Plan (should include location of back-up data).

19 ACCOUNTING, VALUATION AND REPORTING

Questions a. to c. to be answered as comprehensively as possible with reference to supporting documentation to be annexed to completed questionnaire.

- a. Provide an overview of the valuation process and policy. Include timelines and approval processes.
- b. Detail the reports and communication typically provided to investors.
- c. Describe any significant deviations between the Fund's standard reporting package and the ILPA Reporting Best Practices and Standardized Capital Call and Distribution Templates.