EMERGING AFRICA INFRASTRUCTURE FUND

Ninety One

Previously Investec Asset Management

HOMA BAY BIOGAS ONE Project, Kenya

Request for Proposal for a Lenders' Technical Advisor

March 2021

Table of contents

Request for Proposal

We, The Emerging Africa Infrastructure Fund Limited, acting through its duly authorised agent, Ninety One SA Proprietary Ltd ("**EAIF", "we", "our**", or **"us**") have been mandated by Thika Way Investments Ltd (each a "**Sponsor"** and collectively the **"Sponsors"**), for the senior debt financing of a 12.7 MW Biogas Facility with Integrated Fertilizer Production at Lake Victoria, Kenya in Western Kenya (the "**Project**" and/or "**Transaction**" as further described in Annexure). EAIF, EDFI and BIO (together the **"Lenders"**) intend to provide a senior loan of up to USD 50 million in favour of the Project.

We are at an early stage of the appraisal and due diligence process. The decision to finance the Project is contingent upon, amongst other things, satisfactory results of our respective due diligences and receipt of internal approvals.

This Request for Proposal ("**RFP**") is for the appointment of an independent technical advisor to act as Lender Technical Advisor ("**LTA**"). These terms of reference describe the scope of work and responsibilities of the LTA covering the two stages of the Project: (i) Project preparation and design being split into two phases: a) the conceptual phase which aims for a feasibility analysis and review of the conceptual design including red flags; and b) the detailed design phase which shall review the detailed design as well as take into consideration further development progress made with regards to technical specification and design-related items; and (ii) construction and commissioning stage. The LTA's report will be prepared primarily for the Lenders but may be shared with the equity and mezzanine investors on a non-reliance basis.

This RFP contains:

- Project Summary;
- Indicative Activity Timeline for the first and second phase of stage one and a possible outline to Financial Close;
- Proposed Scope of Work for both stages; and
- Information requested regarding Your Proposal.

You are requested to submit a proposal divided into three parts according to the stage respectively phase of the review to the parties indicated below by e-mail no later than three weeks from the date of issue of the Request for Proposal. The information in this document and any enclosures is to be treated as confidential.

Project Summary

Overview

Thika Way Investments Ltd is implementing a series of biogas plants with a total feed-in generation capacity of 35 MW, using water hyacinth from Lake Victoria and sugar cane waste (bagasse). The project's first roll-out phase includes the 12.7 MW biogas plant in Kobala, Homa Bay County, Kenya.

The multi-solution project benefits from diversified cash flow streams

a. Approximately 77.2 GWh of clean electricity will be generated and incorporated into the national grid through a 20-year PPA with KPLC
b. CO2 sales in liquid form amount to >4,100 t p.a.
c. CO2-certificate sale worth 200,000 t CO2 emissions
d. Production of c. 82,000 t of bio-certificated, organic fertilizer p.a.
e. Production of c. 14,100 t of Ammonium Carbonate Fiber (ACF-) fertilizer p.a.

The project is expected to consist of:

- 2 silage storages of 25,646 m^2 and 9,951 m^2 plus 3 lagoons of 15,560 m^2, 14,042 m^2 and 13,687 m^2 (as well as each one reserve lagoon and reserve silage storage).
- 1 bagasse facility of 3,607 m^2.
- Fermenter 144,621 m^3
- Sewage plant.
- 8 independent CHP units of up to 1.6 MW each incl. relating equipment.
- Parking lots, truck waiting areas and weighing station.
- CO2 tanks, CH4 dehydration and H2S purification.
- Separation facility, belt dryer, a fertilizer storage.
- An administrative building including offices, dressing and rest rooms, dining area, reception and an internal laboratory. (800m^2)
- A jetty panel for direct feedstock material delivery
- Harvesting equipment and conveyor system
- Shredding machinery
- packaging panels
- 13.5 km newly constructed 33 kV transmission line

- Interconnection to Sondu substation fed into an existing 33 kV/132 kV transformer
- Road works, electricity, etc.

The biogas plant will be connected to the national grid of Kenya, KPLC will be the sole offtaker of power under a 20-year Power Purchase Agreement ("PPA"). Further, the Borrower will benefit from a Letter of Support ("LoS") from the Government of Kenya ("GoK") in relation to KPLC's obligations under the PPA, as is customary in the Kenyan IPP market.

The total Project Costs are estimated at around USD 78.5m. The Lenders have been approached by the Sponsors to finance the long-term debt financing up to a total amount of USD 50 million ("Senior Debt") for the Project company. COD is scheduled for June 2022, with full production expected early 2023.

The Project Information Memorandum will be provided as part of your assignment.

Contractual Framework

The contractual framework of the Project includes the following:

- Power Purchase Agreement
- Government of Kenya Letter of Support
- Direct Agreements between lenders and other counterparties including amongst others, with KPLC and the GoK,
- Land Lease agreements
- Fertilizer & CO2 offtaker contracts
- EPC and O&M: Anaergia will be the EPC and O&M contractor for the Fermenter. The EPC and O&M contractors for the CHP plant is still to be confirmed.
- Other relevant agreements such as grid connection agreements as well as approvals and permits

Plant Technical & Feedstock Features

- With its surface area of more than 68,800 km² and a high biological variety of species, Lake Victoria is the second largest freshwater body on earth and hence represents a vital source of life. It is located c. 1,130 m above sea level and borders three countries Kenya, Tanzania, and Uganda
- Lake Victoria and the surrounding land area face several economic, ecologic and social challenges. Water hyacinth spreads unhindered and became a great issue for the inhabitants covering more than 4% of c. 68,800 km² water surface. Unwanted, devastating effects of the water hyacinth on the ecosystem and the social-economic environment include but are not limited to:
    - a reduced water quality and potential scarcity of freshwater resources
    - a decreasing biodiversity and fish population threatening the local fishery which is the largest inland fishery industry in entire Africa
    - a disruption in the ability for hydropower generation and water purification and supply
    - forming a habitat for parasitic diseases
    - putting constraints to transportation, trade, and shipping
- The feedstock is sourced locally through harvest with special permits being all in place. The quality of the input material is secured through the local harvesting without any unwanted by-products mixed to the water hyacinth and an own laboratory with skilled workforce monitoring the batches
- To the harvested water hyacinth, bagasse will be added which will be supplied by sugarcane mills close by.
- Approx. 8 MW of the total installed power will be used to feed 77,160 MWh into the Kenyan national grid through an USD-denominated Power Purchase Agreement over 20 years with KPLC at a partly inflation-linked price of 10 cUSD/kWh while the remaining c. 4.7 MW capacity is for captive use
- Besides the electricity generation, the business model includes fertilizer as another primary revenue stream. Organic fertilizer is produced through the 100% organic digestate with a dry heater using the waste heat from the CHP in the electricity generation process. By mixing further additives, ACF can be produced and the product mix can be expanded.
- Moreover, production of liquid CO2 and sale of CO2 certificates are secondary sources of revenues.

Indicative Activity Timeline to Financial Close

Receipt of proposals for lenders' advisory services	3 weeks from the date of issue of the Request for Proposal
Evaluation and contract award	+ 2 weeks
a. Conceptual Phase	
Desk Study Review	+ 4-5 weeks
Draft Technical Due Diligence Report	+ 1-2 weeks

Technical Due Diligence wrap up	+ 2 weeks
Final Technical Due Diligence Report	+ 1-2 weeks
b. Detailed Design Phase*	
Desk Study Review/DD Site Visit	+ 3–6 weeks
Draft Technical Due Diligence Report	+ 2 weeks
Technical Due Diligence wrap up	+ 2 weeks
Final Technical Due Diligence Report	+ 2 weeks

*Please note that the detailed design phase will only commence once the detailed design for the project has been completed.

Scope of Work

The Scope of Work is broken down into two stages
Stage 1: Prior to Financial Close Technical Due Diligence comprising of
Phase a. Conceptual Phase
Phase b. Detailed Design Phase
Stage 2: Construction and Commissioning, and Final Completion

Stage 1: Prior to Financial Close – Technical Due Diligence

OBJECTIVES and RESPONSIBILITY – The purpose of this Stage is to:

a. Give a general overview of the project.
b. Opine on the use and efficiency of water hyacinth and bagasse as feedstock for power, organic fertilizer and CO2 production for the purposes of this project in the Kenyan/regional context but also compared to other competitive fertilizers.
c. To provide an opinion on the technical feasibility of the project for the benefit of the Lenders in support of their decision of whether or under what conditions to finance the Project.
d. Identify potential risks of the Project including, but not limited to technical risks and (partial) mitigations thereof.

The LTA shall liaise directly with the Lenders' other advisors, consultants including advisors on environmental and social matters, insurance advisors and legal counsel on contractual matters, particularly in the period following submission of the draft report. Both prior to and following issue of the draft report, the LTA shall interact with the Lender and the Project Company (as required) regularly and communicate issues as they arise.

The LTA will focus on the following points during the technical appraisal:

1. Site Review
2. Technology and Plant Design
3. Feedstock Resource and Fertilizer output & energy yield assessment
4. Review of EPC contract
5. Review of project budget and recommended amount of contingency
6. Review and comment on Project documents such as Permits, Fertilizer offtake contracts, PPA, Government of Kenya "LoS" and Other relevant documents/agreements
7. Interconnection with grid system
8. Review of O&M contract
9. Financial Model
10. Project Implementation
11. Technical covenants and Conditions Precedent

Especially during the a. Conceptual Phase, the LTA's objective shall be to provide the Lenders with an analysis on the feasibility of the described project based on the information available and reflect the findings in a red flag, and eventually, due diligence report. In this context, the general project's conception shall be reviewed focussing on the following items:

- Site analysis in terms of a desk study of existing materials specifying the site's characteristics
- Assessment of the plant's conceptual design
- Provide an opinion of the use of the plant's output as an organic fertilizer, taking into account the local and regional conditions and impacts of utilization of another input material (e.g. in case of unavailability of Hyacinth). This shall include an opinion on the competitiveness of the organic fertilizer on the Kenyan market given the expected fertilizer price, quality and potential demand.
- Analysis of the biological processes and fermentation process
- Analysis of the input product's incl. the foreseen biological composition and procurement/harvesting concept
- Analysis of the concept on the plant's operations including qualification of management and potentially associated consultancy engagements
- Review and assessment of the most relevant agreements and preliminary contracts as well as an assessment of the potential interface risk between contracts

- Review of the main approvals and permits
- Assessment of the revenue streams considering their market suitability
- Plausibility regarding the interaction of the different revenue and working streams
- Comparison of concept with similar cases (i.e. similar technology, logistics involved, inputs and outputs) through brief case comparisons and identification of critical aspects applicable to Homa Bay Biogas one

For the b. Detailed Design Phase, the LTA shall rely on the items and areas of review which are listed below. If in any doubt, this list shall also act as a reference for the feasibility analysis during a. Conceptual Phase as far as it is senseful at that point of time.

Site Review

The LTA will visit and review the proposed site and provide comments regarding its suitability for the proposed development, including but not limited to:

- Geotechnical characteristics;
- Site topography;
- Suitability of site and access thereto, bearing in mind the construction of further road connections;
- The transportation systems for feedstock and heavy equipment and access to the site;
- Interconnection to feedstock supply, power, water, and plant wastes;
- Site ingress and egress;
- Availability of adequate work force, skills, and housing, particularly during the construction period;
- Interconnection works;
- Logistical arrangements;
- Climate; and
- General site risk including earthquake, flood and natural disaster risk.

Technology & Plant Design

The LTA will review technical and commercial contracts, design drawings and technical specifications. In this context, the LTA will perform, but not limited to, the following tasks:

- Review the selected technologies with an assessment of their reliability, efficiency, adequacy and suitability for the production of fertilizer, liquid CO2 and power for the project.
- Review and comment on the critical component categories including but not limited to the hyacinth harvesting and feedstock processing technology (conveyor, gantry crane, shredder, dissolver, CHP system, digestate separation system, pellet press, security system), generators, transformers, and interconnection facilities. Review of specifications, certifications, product warranties, performance guarantees, degradation behaviour, tests, assembly manual, etc.
- Review the waste streams and possible aspects of hazardous waste that may result from operations and their effects on the environment.
- Review the supply chain, if and as necessary, for the critical components and comment upon any potential pinch points
- Review of the technical references of the installations implemented.
- Assess and opine on the monitoring program and the preventative and major maintenance program required/recommended for the CHPs and biogas systems, as well as other components of the Project.
- Plant design layout.
- Review Project's plant capacity.

Feedstock Resource and Energy Yield Assessment

- Review the historical hyacinth/bagasse growth/production records for the sourcing of feedstock at the Project site and asses the projected feedstock harvest/supply assumptions (including methodology to arrive at these assumption) to assess the adequacy and reliability when compared to the operational requirements of the Project.
- Review the quality as well as the suitability of the hyacinth/bagasse feedstock with regards to the potential effects it can have on the structure and equipment of the Project.
- Review the growth rates and growing patterns of the hyacinth, including the climatic conditions for growth rates and possible risks to growth or replication rates that are material to the feedstock model, this should include both human interventions as well as natural.
- Review of the energy yield analyses undertaken by the Sponsor and verify that its results are consistent with the plant design and the feedstock supply assumptions. The energy yield review will take into account (including, but not limited to):
    - Feedstock supply;
    - Plant efficiency;
    - The technology applied;
    - System power/production losses, including transmission/connectivity;
    - Manufacturer's availability projections, and
    - Uncertainties and deviations.
- Review the probability-based forecasts undertaken by the Sponsor for the expected fertilizer, CO2 and power production in kWh.
- Review of mass and energy balance

Review of EPC

Review the EPC arrangements or lease agreements, which may be applicable in relation to the CHP, offer an assessment of potential major issues, which might include, but not be limited to, the following:

- The scope, terms and conditions of the EPC and the completeness of component coverage, and recommendations on any modification or clarifications;
- Investment costs breakdown and compare it with the current market figures;
- Areas of potential cost overrun or recommended pieces of equipment that are not covered by the contract, including change order procedures;
- Reviewing and where needed, providing input on performance tests, reliability trials, guarantees, and final acceptance tests and take-over regimes specified in the EPC contract to indicate solid long-term performance; test design and sufficiency of guarantees provided by subcontractors and manufacturers of major plant parts;
- Adequacy of investor protection mechanisms specified in the EPC contract in light of internationally acceptable IPP EPCs standards including, liquidated damages and performance thresholds for performance shortfalls or delays and total liability limits;
- Which party has responsibility for civil foundation works;
- Whether soil testing is reasonable and if weather/natural disaster (including flood)-related design parameters are appropriate, and if longer term warranties for civil work are recommended;
- Experience, reputation and selection criteria of the principal contractor (and subcontractors) based on documentation provided by the Project Company;
- Qualifications of the Project Company management to implement and operate the Project also based on meetings during the initial site visit as well as associated consultancy engagements/contracts;
- Reasonableness of the total Project cost estimate based on the inputs provided and stage of the Project, including but not limited to whether the EPC contract cost is competitive with recent international power projects, specifically cost evaluation and comparison of specific Project components and technical parts with other similar recent international power projects, and reasonableness of contingencies provided for;
- Whether the EPC or equivalent contract covers the aspects needed to produce a plant capable of generating revenue under the PPA, including the technical requirements under the Concession/PPA;
- Adequacy of arrangements for communication and SCADA facilities (if applicable);
- Reasonableness of the proposed construction milestone schedule with respect to design, procurement, fabrication, shipment, on-site installation, start-up and testing procedures and the impact of any potential delays that would not be covered otherwise and appropriate remedial actions;
- Reasonableness of provisions for commercial and final acceptance;
- Reasonableness of overall construction management plan;
- Transfer conditions;
- EPC or equivalent contractors' liabilities including performance security, post completion warranty and force majeure;
- Adequacy of required insurance coverage to be reviewed by Lender's insurance advisor;
- Incentive structure (bonuses), if any;
- Whether potential conflict of interest issues for the EPC contractors are adequately addressed and mitigated in the EPC contract;
- Comment on the achievability of the construction timetable and assess a maximum possible foreseeable delay;
- Assess the availability of qualified workforce for the construction of the Project.

Recommended Amount of Contingent Support

Assist in determining whether enough contingency is built into the Project investment and, if not, whether additional support is required and, if so, the recommended amount and duration of Sponsor's support in line with market standard that would be appropriate, in relation to:

Construction Phase:

- Prepare a reasonable maximum estimate of budgetary contingency required to cover possible cost overruns that would not be covered by insurance or the liquidated damages provisions of the EPC or equivalent contract. The estimate of possible cost overruns will include but not be limited to (i) technical modifications that could be required at the expense of the Project Company for items not included in the EPC or equivalent contract; and (ii) recommended provisions for unforeseen events.
- Estimate maximum foreseeable delay (and corresponding additional Project Cost) that could occur due to non-compensated contractor delays.

Initial Operating Phase:

- Prepare an estimate of the reserve, should such a reserve be required, to cover unforeseen costs including but not limited to manufacturer's warranty and/or machinery breakdown and business interruption insurance policies. Review of these policies is specifically excluded.

[Concession Agreements/Harvesting Permits], Power Purchase Agreement, Fertilizer offtake agreements Letter of Support and other documents

Review the GoK's Letter of Support, PPA, Fertilizer offtaker agreements, [Concession agreements/Harvesting permits] and other project documents and their respective technical annexes and comment on ability of the Project, based on the design criteria, to meet the operating and technical requirements. Review and comment on the Project's ability to meet contracted capacity and availability, comment on forced and maintenance outages and their links to the liquidated damages and payment incentives. Review and comment on adequacy from a technical standpoint of the tariff structure/level, penalties and adjustment mechanisms (if any) etc. Evaluate the plant dispatch arrangements and overall system compatibility with the Project. Assess the impact of EPC delays. Assess the reasonableness of the termination, buy-out provisions and rejection provisions.

Interconnection with Grid System

Review the plans for interconnecting the plant with the national and regional grid system, including:

- Generation, load patterns, short circuit levels, protection coordination, statistics and characteristics of grid system, based on such studies as prepared by others;
- Plans for substation and transmission line facilities, adequacy of contractual arrangement, rights of way, and related costs necessary to ensure timely interconnection with the grid system between the plant and the interconnection point; and
- Any identified areas of constraints in the system that may lead to power evacuation curtailment.

Operation and Maintenance

Review and comment on the proposed arrangements for operation and maintenance of the plant and associated harvesting processes/equipment, including:

- Operation and maintenance program of the Project Company and comment on whether it is an appropriate structure to ensure satisfactory plant performance;
- Spare parts, maintenance reserve requirements and maintenance schedule;
- Review and make recommendations on the major equipment maintenance program for the term of the financing;
- Staffing arrangements and any proposed operator training programs;
- Compliance with other Project agreements;
- The reasonableness of the proposed budget for O&M costs and risk of O&M cost overruns – in this regard, complete a comparison with the current market O&M figures;
- Compensation, bonus, and penalty systems to ensure they are cost effective and are appropriate for a long-term operation plan;
- HSE and ESG concepts
- Remain available to assist the lenders' insurance advisor on technical queries in relation to the insurance provisions;
- Compliance with Project agreements and permits; and
- Review and comment on the scope and feel level of the O&M agreement and any other management service agreement for the purposes of operations and maintenance of the plant.

Financial Model

Review technical input assumptions and work with the Lender in their analysis of the financial model including running different scenarios on the financial model. Comment on the structure of and the adequacy of the technical assumptions (based on the technical studies) on input variables contained in the Project Company's financial model (including but not limited to yield, average annual equivalent availability, loss factors/degradation, maintenance down time, number of operational and maintenance staff, consumption of spare parts and consumables, and major maintenance work).

Assess the consistency of the financial model with the contractual technical obligations detailed in the Project contracts/documents. To the extent that the LTA considers such input variables to be inappropriate, the LTA shall propose alternative variables for consideration. The LTA will also advise the Lender on sensitivities in respect of key technical and operational assumptions such as CHP degradation, other loss factors and operating and maintenance expenses to run on the financial model.

Approvals and Permits

Review approvals, permits and licenses required for the construction and operation of the Project to confirm that the Biogas plant can operate in full compliance with the permits.
Remain available to liaise with the lenders' counsel on queries in relation to approval, permits and licenses that are required for the construction and operations of the plant.

Project Implementation

Review engineering, procurement, construction, start-up and testing schedules to identify areas of potential impact. Review the schedule to confirm that appropriate milestones have been identified for the EPC or equivalent contract payment profile. Also

review whether appropriate provisions are properly planned and can be ensured for construction amenities such as logistics support within the country.

Consistency of Project documents

Review the Project contracts/documentation to identify missing, inconsistent, and unresolved technical issues. Review and assess the consistency of various contract technical provisions within each Project contract. Evaluate the Project's capability, as designed, to meet the Project's operating, contractual, and licensing requirements.

Technical Covenants and Conditions Precedent

Support Lender throughout negotiation of legal documentation and satisfaction of technical conditions precedent. As the appraisal evolves, suggest technical conditions that would diminish the operational risk to the Lender and improve the performance and environmental, health and safety compliance of the Project. These conditions would then be negotiated with the Project Company and included in the investment agreements.

Other

Report on any other issues detected that might jeopardize the effective construction and operation of the plant as conceived by the Project Company. For all items raised, suggest mitigation measures for any deficiencies that have been identified. Consider the potential for any unforeseen risks on the Project that could lead to possible cost or time overruns that must be borne by the Sponsor and/or the Lender. This will require a careful review of all liquidated damages and force majeure provisions in the Project Documents (to be defined but at least include EPC, Concession Contract, Connection and Operation Agreement, PPA, fertilizer offtake agreement(s), O&M agreement, Management Service Agreement, and Land Lease Agreement and obligations and other local/central governmental bodies' requirements as summarized by Sponsor and Lender's legal advisors).

List of Major Issues and Draft Report

The LTA shall provide the Lender with a list of major issues and propose preliminary mitigation measures within one week of finalizing the site visit. The list shall also include a request for all information that may be outstanding to carry out the assignment. The LTA will submit a Draft Report within three weeks of finalizing the site visit. The report will include an executive summary and the LTA's professional opinions concerning each area of review. Along with the report, the LTA will prepare an open items list ("**OI List**") that will provide a listing of additional information and/or documentation required to close issues associated with the technical concerns identified. The OI List will include any areas of preliminary design as provided in the EPC or equivalent contract that are not clearly prescribed in the Project Documents that could lead to concerns during the operation of the plant. The OI List will be used in establishing areas to concentrate future observations as the Project progresses.

Final Report

Following circulation of the Draft Report, the LTA will hold discussions with Lenders and the Project Company to clarify the findings contained therein if requested. Once the Lenders' concerns and comments have been resolved to the satisfaction of the Lender, the LTA will prepare the Final Report that shall take into account the comments of the lenders. The Final Report may incorporate the comments of the Project Company to the extent the LTA believes these should be noted. The LTA will ensure that neither the Project Company nor the Sponsors will unduly influence the LTA's conclusions in the Draft Report and the Final Report.

Phase 2: During the Construction and Commissioning Period and until Final Completion

OBJECTIVE – During the construction phase of the Project, the LTA will review the execution of the EPC Contracts and other construction contracts and implementation of the Project. The LTA will report on the Project's construction progress by reviewing the Contractor's progress reports in the areas of final design, procurement, construction and start-up. The LTA will also review and certify conformance with all relevant requirements for Project completion and commissioning and Financial Completion tests (to be defined in the loan documentation). The detailed Scope of work is an annexure to this RFP.

Your Proposal

The bidder will submit a proposal to Martijn Proos (martijn.proos@ninetyone.com) and copy Stephan Weissinger (s.weissinger@remcapital.de) and Björn Jotzo (b.jotzo@remcapital.de) by e-mail no later than three weeks from the date of issue of the Request for Proposal. Submissions will receive an acknowledgement email. Should you wish to clarify any of the aspects of the RFP or the information sought, please contact Martijn, Stephan and Björn (ensuring all persons are copied in all communication).

Please note that the Sponsors will receive a copy of the Technical due diligence reports prepared by the LTA and of the bids. An international firm of consultants will be engaged for this assignment and is expected to procure the services of a multi-disciplinary team of both international and local experts as appropriate.

The Consultant is expected to have expertise in biogas projects and projects that are comparable due to the input material or due

to the necessary experience in the treatment and processing of the fermentation residues/digestate. In addition, the Consultant must have relevant experience in international projects, ideally in Sub-Saharan Africa, and preferably in Kenya or neighbouring countries (a reference list of comparable examples is of benefit). The Consultant's working plan and staffing shall be finalised during the Consultant's selection process. The following will be the evaluation criteria for this Project:

- The experience, capability and credibility of the LTA firm with respect to similar type projects. The team leader shall have at least 10 years of experience in the planning, design, financing and/or construction of biogas projects and projects that are comparable due to the input material or due to the necessary experience in the treatment and processing of the fermentation residues/digestate facilities and experience of at least one power project in Sub-Saharan Africa;
- The track record of the team members and a commitment to their availability for the term of the transaction and confirmation that no restriction exists for travel to Kenya and the Project Site;
- The track record, knowledge and experience of the LTA in respect of the electricity supply markets in the region, and Kenya;
- The track record of the LTA advising lenders on project finance transactions and, in particular, on projects with similar technologies and in similar climatic conditions. In particular, international experience supporting all evaluating works in the following three sub-categories is requested:
    - Technical dimension
        - Substance and energy balancing;
        - Technical feasibility;
        - Technology screening; and
        - Parameter/KPI-based evaluation (specific efficiency levels, availabilities, quality levels, classification according to technical development state);
    - Economical dimension
        - Feasibility study and evaluation of operational concept including costs;
        - Analyses regarding costs and economic efficiency for biogenic supply concepts (electricity, heat, fuel, biochemical energy sources); and
        - Analyses of value chains based on life-cycle costs analysis (LCC, Social Life Cycle Assessment) and evaluation of the regional value-added through concepts built on the utilization of biomass
    - Ecological dimension
        - Environmental accounting/life-cycle analysis (LCA) in respect of greenhouse gas emissions and further environmental impacts (inter alia water supply, fertilizer, eutrophication, acidification) as well as in respect to primary energy consumption; and
        - Competition in the land-use
- Confirmation that no conflicts of interest, current or potential, exist in acting for us on this Project or, if any are identified, a plan for resolution;
- It will be advantageous if the LTA has a physical presence in Kenya and/or is able to sub-contract the site-visit components to a local representative to accommodate potential travel restrictions due to COVID-19;
- Compliance with the LTA Agreement provided by the MLA; and
- Compliance with the form of cost requests as provided for in the LTA Agreement

The proposal should include the following:

- Names and biographies (summary CV's) of the proposed team members and team leader, indicating the relevant experience of each such team member and the specific role(s) that member will play;
- A full list of relevant experience (in the last 5 years) in advising on independent power projects in Sub-Saharan Africa and/or other emerging markets involving development finance institutions, highlighting those transactions in which the firm acted for NINETY ONE/EAIF (such experience must be held either by the members of the proposed team or by other members of the firm that are current employees or partners in the firm);
- Recommendations for the key areas of focus or changes to the scope set out in this document;
- A capped price (in USD) for the full scope of services set out in each Stage 1 including both Phases a. and b. and Stage 2 (i.e. in total three individual caps). Stage 2 will be treated as indicative until an updated Terms of References is developed closer to the time of this Stage.
- Hourly rates (discounted from the bidder's "standard" hourly rates using the highest discount usually awarded to lenders of this nature) for each team member together with an undertaking that these hourly rates will continue to apply for the duration of the transaction (regardless of duration).

Confirmation that:

- any changes to the proposed team will not be made without the consent of the lender's representative or the sponsors;
- the bidder will not charge for travel time by any team member (save for work that is performed during travel time);
- the proposal should also identify and elaborate on any conflict of interest (potential or existing) in relation to the performance of the proposed role for the Lenders. The proposal should also propose arrangements to address such conflict of interest to the satisfaction of the Lenders and the Project Sponsors.

The proposal should include a reasonably detailed description of the proposed approach and project specific methodology for the below scope, demonstrating an overall understanding of the services required and description of the work to be performed.

This request for proposal is not an offer document and is not intended to give rise to any contractual relationship between the bidder and the Lenders. The Lenders may in its absolute discretion suspend, cancel or vary the intended selection process, select any bidder as the preferred bidder; and reject any or all proposals.

The bidder shall include in its proposal all relevant details relating to the technical and financial aspects described in this document, whereas the bidder shall submit separate prices for each of the stages and phases as described above. The bidder's proposal shall be prepared by and at the expense of the bidder. Proposals shall remain valid for a period of ninety (90) days beyond the submission deadline. The bidder's proposal shall be evaluated by the Lenders in conjunction with the Sponsors using criteria that obtain the best added value for the Project, taking into account both the commercial aspects (competitiveness and value for money) and the technical aspects (track record, Biogas/mass and Sub-Saharan Africa experience, and the relevant quality and experience of the proposed personnel).

The LTA will be subject to customary confidentiality undertakings (to be detailed in the contract award for the LTA), stating that all information gathered in the course of the fulfilling of the Scope of Work is confidential and shall not be released or otherwise used without prior written consent of the Sponsors and the Project Company.

Annexure

This annex sets out the Scope of Work of the LTA during Stage 2 - construction and commissioning of the Project until Final Completion, of the Project. The purpose of the LTA engagement during this stage is to primarily monitor progress of construction in accordance with the agreed project implementation plan and agreed project budget; and report it to the lenders periodically.

Stage 2: During the Construction and Commissioning Period and until Final Completion

During the construction phase of the Project, the LTA will review the execution of the EPC Contract and other construction contracts and implementation of the Project. The LTA will report on the Project's construction progress by reviewing the Contractor's progress reports in the areas of final design, procurement, construction and start-up. The LTA will also review and certify conformance with all relevant requirements for Project completion and commissioning and Financial Completion tests (to be defined in the loan documentation).

1) **Schedule, quality and costs**: The LTA's assessments during this stage will be based on observations at the Project site, attendance at meetings during scheduled site visits and reports provided by the EPC Contractor and the Project's Sponsors (and its consultants). In particular, the LTA shall review quality of work, timing and anticipated delays, proposed mitigation of delays, record keeping, safety and environmental management including the implementation of plans.

In accordance with the construction schedule, it is expected that the LTA will visit the site after commencement of construction and thereafter during commissioning. Should the construction period be extended, one additional site visit is likely to be required.

- Evaluate the Project implementation progress through reviewing Project progress reports prepared by the Sponsors and EPC Contractor, if there are anticipated delays, propose mitigation strategies;
- Where required, review reports and findings of the independent panel of experts appointed on the Project;
- Periodically review (either once a quarter or upon milestone completion) major design documentation (plans, specifications and schedules);
- Review the work and advise of areas where it is discovered that the work is not being performed in accordance with the approved design at project completion;
- Review construction activities anticipated during the subsequent period, highlight any delays or potential delays or increases in cost or potential increases in cost and other problems;
- Assess whether reasonable construction standards are in place and are as per the existing laws;
- Monitor the progress of the transmission lines and report on whether it is likely to be available on-time;
- Prepare a written report with photographs after each site visit and distribute the completed report within 10 calendar days of such visit;
- Examine and opine if concerned technical conditions precedent and technical covenants defined under the financial documents are met; and
- The LTA shall carry out a review and confirm progress on construction, based on data supplied by the Project Company and observed on site.

2) **Variation orders**: The LTA will review change orders in association with the Lender's legal counsel to ensure consistency with the EPC Contract and to evaluate whether both the sums and the conditions are reasonable. The LTA will maintain a record of all variations, approved, planned or pending approval.

3) **Punch List**: Towards the end of the Project construction period, the LTA will review the final "punch" lists and participate in the facility walk down to record all work requiring completion and defects needing correction and monitor the completion of all outstanding work to ensure the achievement of a fully completed project in accordance with construction standards. Agree on the work items transferred from the Punch Lists to the Completion List.

4) **Completion testing**: Provide written certificates to the Lenders confirming when the Project has achieved Mechanical Completion, Provisional Acceptance, Substantial Completion, Final Acceptance and Taking Over (or equivalent – these terms will be defined in the EPC contract). Confirm the acceptability of the Punch List and the Completion List created under the EPC and provide any other written certificates contemplated by the EPC contract and the loan agreements of the Lender. In addition, certify that the plant has been fully accepted and has entered commercial operation.

5) **Performance testing**: Review testing methodology and schedule based on the performance testing procedures specified in the EPC, PPA and other documents. Working as LTA participate, as reasonably required and mutually agreed, in such performance tests that relate directly to plant performance and reliability, including; (a) the site performance tests of the major equipment components; (b) testing of the complete plant upon completion. The results of all performance tests, will be reviewed by the LTA

and reported in a special independent overall performance test report, separate from the scheduled reports within the time-period requirements of the EPC contract. The LTA will advise the Lender when the plant is ready to commence performance testing.

6) **Compliance with local regulation**: The LTA will liaise with the legal counsel and local legal counsel acting for the Lenders in order to establish a comprehensive list of local permits and licenses against which the Technical Advisor shall establish whether the test results indicated compliance.

7) **Insurance**: The LTA will review the use of insurance proceeds where applicable and as requested by the Lenders.

8) **Final as-built Design**: The LTA shall provide an opinion on the final as-built design and the ability of the plant to perform according to the expected performance standards.

No changes can be made to the proposed staff working on the Project without the approval of the Sponsors and Lenders.