

ASA International Group plc (the “Company”)
Independent Directors’ Committee – Terms of Reference

as approved and adopted by the board of directors of the Company on 28 June 2018

In these Terms of Reference, references to:

“**Board**” means the board of directors of the Company;

“**Committee**” means the Independent Directors’ Committee;

“**Committee Chairman**” shall mean the chairman of the Committee;

“**Committee Secretary**” shall mean the secretary of the Committee;

“**Controlling Shareholder**” has the meaning given to such term in the listing rules relating to admission to the official list of the Financial Conduct Authority made under section 73A(2) of the Financial Services and Markets Act 2000, as amended;¹

“**Escrow Agreement**” means the escrow agreement dated 29 June 2018 between the Company, Catalyst Microfinance Investors and Citibank, N.A., London Branch;

“**Escrow Deed**” means the escrow deed dated 29 June 2018 between the Company and Catalyst Microfinance Investors;

“**Group**” means the Company and its subsidiaries from time to time and “**Group Company**” means any one of them;

“**Material Transaction**” means any transaction, arrangement or matter which:

- (i) any of the percentage ratios under the Listing Rules exceeds 0.25 per cent., whether on a standalone basis or when aggregated with any other transaction, arrangement or matter with a relevant Related Party over a 12 month period;
- (ii) is referred to the Committee by the Board or management of the Company (whether a committee of the strategic management team or otherwise); or
- (iii) has or could reasonably be expected to have a reputational impact on the Group;

“**Memorandum of Understanding**” means the memorandum of understanding dated 3 October 2017 between, *inter alios*, ASA International Holding (a subsidiary of the Company) and ASA Bangladesh;

“**Related Party**” has the meaning given to such term in the listing rules relating to admission to the official list of the Financial Conduct Authority made under section 73A(2) of the Financial Services and Markets Act 2000, as amended;² and

“**Relationship Agreement**” means the relationship agreement entered into between, among others, the Company and Catalyst Microfinance Investors, as amended from time to time.

1 Purpose

The Committee is established by the Board for the primary purposes of identifying and managing matters involving conflicts of interest (including potential conflicts of interest) between any Group Company, on the one hand, and any Controlling Shareholder or Related

¹ As at 28 June 2018, this is expected to include, among others, Catalyst Microfinance Investors, CMIMC and Catalyst Continuity.

² As at 28 June 2018, this is expected to include, among others, Catalyst Microfinance Investors, Catalyst Continuity, ASA Bangladesh and the directors of the Company.

Party, on the other hand. It is also responsible for overseeing and scrutinising the relationship between the Group, its Related Parties and its Controlling Shareholders (including evaluating, monitoring and approving any transactions or arrangements between such parties).

2 Membership

- 2.1** The Committee shall comprise all of the independent non-executive directors of the Company from time to time.
- 2.2** Only members of the Committee have the right to attend and vote at Committee meetings. However, the Committee may invite any directors, managers or employees of the Company and other individuals such as experts and professional advisers as and when appropriate.
- 2.3** The Board shall appoint the Committee Chairman who should be one of the independent non-executive directors. In the absence of the Committee Chairman and/or an appointed deputy, 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.

3 Secretary

The company secretary or his or her nominee shall act as the Committee Secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4 Quorum

- 4.1** The quorum necessary for the transaction of business shall be a majority of the members of the Committee in person or by telephone or other electronic means.
- 4.2** A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.3** Outside the formal meeting programme, the Committee Chairman must maintain as appropriate a dialogue with other Committee members and other key individuals involved in the Company's governance (including, as appropriate, the chairman of the Board, the chief executive officer, the chief financial officer and the general counsel).

5 Voting

- 5.1** Decisions of the Committee shall be taken by a simple majority vote of those members present at a duly convened and quorate meeting of the Committee.
- 5.2** Written resolutions signed by all members of the Committee shall be valid and effective as if passed by the requisite majority at a duly convened and quorate meeting of the Committee.
- 5.3** The Committee Chairman shall not have a casting vote.
- 5.4** The Committee can refer a matter to the Board by a simple majority vote.
- 5.5** The members of the Committee shall, at the beginning of each meeting, declare the existence of any conflicts of interest. Any member of the Committee who declares a conflict of interest at the start of any meeting or thereafter cannot attend the part of the meeting where any particular matter in relation to which such conflict of interest arises is being discussed or vote on any such matter.

6 Frequency of Meetings

- 6.1** The Committee shall meet as and when appropriate (but at least twice a year). Meetings can be convened by telephone or other electronic means when necessary.
- 6.2** Special Committee meetings can be organised as and when project approval or review is required.

7 Notice of Meetings

- 7.1** Meetings of the Committee shall be called by the Committee Secretary at the request of the Committee Chairman, the chief executive officer of the Company or any non-executive director of the Company.
- 7.2** Unless otherwise agreed, notice of each meeting confirming the venue, time, date and dial-in details (if required) 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.
- 7.3** The agenda shall be prepared by the Committee Secretary, with input from the chief executive officer and other relevant members of management.

8 Minutes of Meetings

- 8.1** The Committee Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 8.2** Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee for comments and, once approved by each member, for signature by the Committee Chairman. Once approved by the Committee members, minutes (and the resolutions of the Committee reflected therein) should be circulated to all other members of the Board.
- 8.3** Copies of signed minutes or resolutions shall be filed in the Company's minute book.

9 Annual General Meeting

The Committee Chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

10 Duties

- 10.1** The Committee should carry out the duties below for the Company, subsidiary undertakings and the Group as a whole.
- 10.2** The purpose of the Independent Directors' Committee is described in paragraph 1 above. The duties of the Committee are as follows:
- 10.2.1** identifying and managing matters involving conflicts of interest (including potential conflicts of interest) that may arise from time to time between any Group Company, on the one hand, and any Controlling Shareholder or Related Party, on the other hand;
 - 10.2.2** overseeing and scrutinising the relationship between Group, its Related Parties and its Controlling Shareholders;

- 10.2.3 reviewing and approving any requests for information made by any Controlling Shareholder in order to assist it complying with its obligations under the Relationship Agreement;
 - 10.2.4 considering and approving the entry into or amendment of any Material Transaction (including by virtue of the exercise of discretion by a Group Company under existing transactions or arrangements) between a Group Company, on the one hand, and a Related Party and/or a Controlling Shareholder, on the other hand;
 - 10.2.5 considering and approving the enforcement of any of the Group's rights under any transactions or arrangements with a Related Party and/or a Controlling Shareholder;
 - 10.2.6 considering and approving the renewal or termination of any Material Transaction between a Group Company, on the one hand, and a Related Party and/or a Controlling Shareholder, on the other hand;
 - 10.2.7 overseeing and scrutinising the operation of the Memorandum of Understanding, the Escrow Deed, the Escrow Agreement and any successor arrangement thereto or replacement arrangement thereafter;
 - 10.2.8 reviewing the progress of, and monitoring any, transactions, arrangements or other matters between Group Companies, Related Parties and/or Controlling Shareholders;
 - 10.2.9 overseeing the status and implementation of any transitional agreement or arrangement with any Related Party and/or a Controlling Shareholder;
 - 10.2.10 overseeing any intellectual property sharing or licensing agreements or arrangement between any Group Company, on one hand, and any Related Party, on the other hand;
 - 10.2.11 to the extent necessary, reviewing and amending the related party transaction policy of the Group and the related party transaction manual;
 - 10.2.12 without prejudice to the rights of the Controlling Shareholder under the Relationship Agreement, considering and approving the actions of the Company constituting reasonable assistance to the Controlling Shareholders in connection with any disposal or transfer (or a series of connected disposals or transfers) of any interest by them or any Related Party pursuant to the Relationship Agreement; and
 - 10.2.13 other matters which are required under applicable law or regulation to be considered only by the independent non-executive directors of the Company.
- 10.3 If any matter falling under any of the categories set out at paragraph 10.2 is also a matter reserved for the Board, such matter shall be resolved by the Committee unless the Committee Chairman refers such matter to the Board for resolution in accordance with paragraph 5.4 above.

11 Reporting Responsibilities

- 11.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12 Other Matters

The Committee shall:

- 12.1** have access to sufficient resources in order to carry out its duties, including access to external advisers and the company secretariat for assistance as required;
- 12.2** 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; and
- 12.3** arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13 Authority

13.1 The Committee is authorised by the Board to:

- 13.1.1** obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference, and to invite persons giving such advice to attend Committee meetings, provided that any expenses (whether individually or in the aggregate) are reasonably and properly incurred;
- 13.1.2** undertake any activity within its terms of reference;
- 13.1.3** seek any information that it requires from any Company employee or contractor in order to perform its duties;
- 13.1.4** call any Company employee or contractor to be questioned at a meeting of the Committee, as and when required;
- 13.1.5** oversee any investigation of activities which are within its terms of references, consider such other topics as are referred to the Committee by the Board or may be defined by the Committee and notified by the Board; and
- 13.1.6** delegate any of its powers to one or more of its members or the Committee Secretary.

14 Amendment of these Terms of Reference

These terms of reference may not be amended, varied or revoked without the approval of the Board.