

DETAILS OF IMPLEMENTATION ARRANGEMENTS

1. **Standard fund implementation arrangements.** In making the equity investment in Northstar Equity Partners V Limited (NEP V), the Asian Development Bank (ADB) will undertake the standard implementation arrangements that pertain to private equity funds, i.e., the processes and mechanisms used for investment performance monitoring, reporting, and evaluation, including financial and nonfinancial monitoring.
2. **Quarterly and annual reports.** Northstar Capital Group V Limited, a Cayman Islands exempted company with limited liability, is the managing director of NEP V. The managing director will be required to provide ADB with unaudited quarterly reports, audited annual reports with financial statements, a fund overview, annual development effectiveness monitoring reports, and an overview of the portfolio. ADB will review this information and follow-up with the managing director if more information or clarification are needed. If the information received from the managing director raises issues that could impair the value of ADB's investment in NEP V, ADB could decide to put the fund on a watch list for more frequent and detailed reviews.
3. **Nonfinancial monitoring.** NEP V will be required to submit its environmental and social management system (ESMS) to ADB and to report annually to ADB on environmental and social safeguards issues. The ADB deal officer will request the ESMS reports and annual reviews, and will work with NEP V, as appropriate, so that these documents meet ADB's requirements. The ESMS sets out requirements for compliance, as applicable, with national labor laws and measures to comply with the internationally recognized core labor standards, pursuant to ADB's Social Protection Strategy (2001). NEP V will include information in its annual report on the compliance with such requirements with respect to its investments.