



ImpactBay
Membership Policy
March 2019



ImpactBay Membership Policy

Purpose

The purpose of this membership policy (this “Membership Policy”) is to set forth a framework of principles and rules governing membership in ImpactBay, Inc. (“ImpactBay”). This Membership Policy covers the following topics:

- Statement of ImpactBay’s mission and purpose;
- Member benefits;
- Membership eligibility criteria;
- Membership admissions process; and
- Membership terms and conditions.

Statement of ImpactBay’s Mission and Purpose

ImpactBay is a nonprofit, membership-based organisation designed to facilitate secondary sales of frontier and emerging market impact investments in an effort to grow the assets available to benefit poor and vulnerable populations in developing countries. Its primary functions are (1) to facilitate communications among its members leading to secondary sales of impact investments, and (2) to educate its members and the public about the importance of developing a robust market for secondary sales of impact investments. ImpactBay is initially focusing on providing information and solutions pertaining to secondary sales of equity interests in impact investing funds, but it may expand its focus over time to include other types of investments.

The intended effect of ImpactBay’s activities is to unlock new and additional capital to be directed towards emerging and frontier markets, and to facilitate the efficient allocation of that capital. We believe deeply in the potential of the impact investing industry to address social and environmental challenges by complementing philanthropy and government aid with for-profit investments to achieve positive social and environmental impact. However, the scale of the impact investing industry – and, therefore, its ability to address the world’s most intractable social and environmental problems – is constrained by several factors, including the bespoke nature of many impact investment transactions and the lack of a functioning, robust market for secondary sales of impact investments, including interests in impact investing funds. We believe that creating the framework for a secondary market for sales of interests in impact investments is a critical step in scaling and efficiently allocating the capital flowing to impact investments.

Member Benefits

Members of ImpactBay will receive the following benefits:

1. Access to a network of impact investors interested in buying and/or selling interests in impact investments, who have been pre-screened by ImpactBay for their commitment to achieving social and environmental impact.



2. Option to utilize the services of Euronext Expert Market, an electronic trading platform that facilitates secondary trading of non-listed securities, and certain of its member banks to consummate secondary sales. In some cases, this service may be made available at discounted prices negotiated by ImpactBay. See “Membership Terms and Conditions” below for more information.
3. Opportunity to learn from other members to demystify the secondary transaction process

Membership Eligibility Criteria

There is currently no clear, concise, consistent and broadly accepted definition of what constitutes an impact investing fund. Accordingly, rather than focusing its efforts on facilitating transfers of interests in specific funds, ImpactBay has decided to focus on building a community of buyers and sellers with a demonstrated commitment to impact investing, relying on their intentionality as a proxy for the impact orientation of the underlying funds. It is therefore critically important for ImpactBay to ensure that its members subscribe and adhere to the tenets of impact investing.

In determining the eligibility of an applicant for ImpactBay membership, the membership committee of ImpactBay’s board of directors (the “Membership Committee”) will look for a commitment to impact values and alignment with ImpactBay’s mission, with suitability gauged across some or all of the following themes:

- Demonstrable commitment to impact investing or stated social and environmental impact goals;
- Desire to promote impact investing and to help it be at the forefront of the investment agenda;
- Commitment to provide and/or encourage the recycling of catalytic capital;
- Geographical alignment; and
- Sectoral alignment.

Where an impact/sustainable investing unit is contained within a larger group or organisation, the Membership Committee will also examine whether the wider group/organisation protects or shares the impact values embodied by the impact/sustainable investing unit. When assessing the impact values of the larger group/organisation, ImpactBay will take the following factors into account:

- Existence and nature of a stated corporate ESG policy;
- The group/organisation’s focus on sustainability, including a formal commitment to support the United Nations Sustainable Development Goals;
- Future planned activity in the impact investing industry within the wider organisation; and
- Membership in or affiliation to impact investing industry organisations.

ImpactBay will also conduct negative screening to mitigate the risk of opportunistic buyers accessing deals through the ImpactBay platform. In this regard, the Membership Committee will focus on establishing:

- The applicant’s rationale for wanting to be a member of ImpactBay; and
- The applicant’s investment mandate and impact strategy.



Membership Admissions Process

ImpactBay's admissions process involves two steps:

- Each applicant organisation must submit a written application designed to ascertain:
 - The identity of the applicant;
 - The applicant's contact information;
 - Basic organisational details about the applicant (e.g., organisation type, tax status);
 - The key individuals who will manage the relationship with ImpactBay;
 - The applicant's investment mandate (geographies, sectors, fund sizes, etc...);
 - The applicant's commitment and approach to impact investing (in accordance with the eligibility criteria described above);
 - Whether the applicant is potentially a buyer, a seller, or both;
 - The context for the applicant's requirement for liquidity (if a seller); and
 - The applicant's investment sophistication and any other information necessary to ensure that the applicant's participation in secondary sales through ImpactBay will comply with applicable securities laws

As part of each application, applicants will be required to make certain acknowledgments and covenants, as described in greater detail under "Membership Terms and Conditions" below. ImpactBay reserves the right to waive certain portions of the membership application for certain applicants (for example, ImpactBay anticipates that it may not require development finance institutions to complete the portion of the application designed to ascertain an applicant's commitment to impact investing in light of the well-known commitment of such organisations to impact investing).

- Within one month of receiving a membership application, the Membership Committee will remotely interview the applicant for one hour to gain further insight into the applicant's impact strategy and suitability for ImpactBay.

The Membership Committee will approve or reject the membership application by a simple majority vote within one week of the interview, with the chairperson of the Membership Committee holding a deciding vote in the event of a tie. The decision will then be communicated to ImpactBay's secretariat, who will relay it to the applicant no later than two weeks after the interview.

Membership Terms and Conditions

Each member's membership is granted for one year, and is automatically renewed at the beginning of each calendar year, subject to the right of each of ImpactBay and such member to terminate such membership in its sole discretion before the beginning of the next annual membership period.

ImpactBay's annual membership is free. ImpactBay may begin to charge a membership fee at any time, but members will be given the opportunity to rescind their membership before any such fee becomes applicable.

As a condition to continual membership, each member of ImpactBay will be expected to comply in all respects, in connection with each purchase and sale transaction facilitated by ImpactBay to which such member is a party, with (i) the underlying documents governing such purchase and sale transaction, (ii) the governing documents of the fund the interests in which are being transferred in such purchase and sale transaction and (iii) applicable law.



ImpactBay members that utilize the option to consummate transactions through Euronext Expert Market will be required to comply with all rules and requirements imposed by Euronext and the applicable Euronext member bank that facilitates consummation of the transaction. The pricing available for this service will be as negotiated by ImpactBay with Euronext and the applicable member banks, and any fees of Euronext and such member banks will be deducted from the proceeds of the applicable purchase and sale transaction. ImpactBay will provide its members with current pricing information for this service upon request.

Use of ImpactBay's LinkedIn Group Platform:

ImpactBay provides members with the ability to generate material (such as text, data, graphics, any underlying material and information submitted as part of a discussion thread) (the "Material") to the ImpactBay LinkedIn group and discussion platform (the "Group Platform"). As used in these Terms and Conditions, "generate" shall mean post, upload, submit, share and every similar action resulting in Material becoming accessible or viewable on the Group Platform. As a member, you may only generate Materials that are your own original work or that you have the entire right, title and interest in and to or for which you have all necessary licenses, rights, consents and permissions to use. As a condition of access to the Group Platform, members will be deemed (by virtue of their membership) to represent and warrant that they will NOT:

- generate any Materials on the Group Platform that violate these Terms and Conditions, the LinkedIn User Agreement, or the LinkedIn Group Terms of Service;
- generate material non-public information with respect to which such member has a duty of confidence;
- use the Group Platform for any unlawful purposes;
- generate Material that falsely expresses or implies that such Material is sponsored or endorsed by ImpactBay or the Group Platform;
- use the Group Platform for the purpose of either (i) conducting any regulated investment business or (ii) the financial promotion or marketing of investments, in either case in breach of applicable laws, regulations and rules of the United States (including the Securities Act of 1933; the Securities and Exchange Act of 1934; the Investment Advisers Act of 1940 and relevant State laws and regulations); the United Kingdom (including the Financial Services and Markets Act 2000 and rules and regulations promulgated thereunder); and any European Economic Area ("EEA") member state (including any prohibition against the performance of investment services or activities without authorization in any EEA member state stipulated in accordance with the requirements of the Markets in Financial Instruments Directive 2004/39/EC); or any other jurisdiction;
- negotiate or enter into agreements or contracts on the Group Platform with third parties;
- impersonate another person or create a false or misleading identity for the purpose of misleading others as to the member's identity, or for collecting information about other members;
- collect, obtain, compile, gather, transmit, reproduce, delete, revise, view or display any material, data or information, whether personally identifiable or not, posted by or concerning any other member, in connection with the member's Material or in connection with the member's use of the Group Platform, unless the member has obtained the express, prior written permission of such other member to do so;
- do anything that results in the transmission over the Group Platform of surveys, contests, pyramid-selling schemes, junk email, chain letters, duplicative or unsolicited messages or so-called spamming and phishing;



- generate Material that contains libelous or tortious information, is obscene, defamatory, abusive, harassing, threatening, offensive or otherwise objectionable as determined by us in our sole discretion;
- generate Material that contains any virus, corrupt file, worm program or other malicious code designed to interrupt, destroy or limit the functionality of or disrupt any software, hardware, telecommunications, networks, servers or other equipment, or any adware, spy ware, Trojan Horse or any other material designed to damage, interfere with, wrongly intercept or expropriate any data or personal information;
- use other members' personal data for purposes other than making contact with them that is reasonably expected to be welcomed by such other members;
- copy, adapt, alter or create a derivative work from any content on the Group Platform (including Material) or scrape or use automated bots or spiders on the Group Platform for the purpose of extracting data and information;
- generate materially inaccurate or misleading Material;
- in the case of an individual representing a member, access the Group Platform if the individual's employment with such member is terminated or if the individual is no longer an authorized user of such member; or
- use the Group Platform in any manner that could damage, disable, overburden or impair the Group Platform.

Each member using the Group Platform will be deemed (by virtue of its membership) to further represent and warrant that:

- it is properly established pursuant to the laws of the jurisdiction of its domicile, formation and operations and any other applicable jurisdiction;
- it has the capacity and authority to agree to these Terms and Conditions;
- any information it provides on the Group Platform is true and accurate in all material respects and it will notify us promptly if any such information changes;
- it will use the Group Platform solely in connection with its lawful internal business purposes; and
- they will comply at all times with these Terms and Conditions and any additional terms which may be presented to them from time to time as well as – for the use of LinkedIn – accept and comply with the LinkedIn Terms of Use.