



A BOYD WATTERSON GLOBAL COMPANY

ASSET MANAGEMENT

Public Private Partnerships and Offshore
Transmission Owners

December 2025

Na Cúirteanna Breithiúnais Corrúla
The Criminal Courts of Justice



ABOUT AMBER INFRASTRUCTURE'S ("AMBER'S") ASSET MANAGEMENT

DEDICATED	>15 YEARS	SPECIALIST	130
INTERNATIONAL ASSET MANAGEMENT PROVIDER TEAM	DEVELOPING AND MANAGING INFRASTRUCTURE THAT UNDERPINS COMMUNITIES AND BUSINESSES	COMPRISING ENGINEERS, SURVEYOR'S, CONTRACTORS, MAINTENANCE SPECIALISTS ACCOUNTANTS, COMPANY SECRETARIES	PPP AND OFTO INVESTMENTS WITH A SUBSTANTIAL PROPORTION DEVELOPED FROM INCEPTION BY AMBER

EXECUTIVE SUMMARY

Public Private Partnership ("PPP") and Offshore Transmission Owners ("OFTOs") investment structures involve investing in a Special Purpose Vehicle ("SPV") established to provide and maintain an infrastructure asset over a period of 25 years or more. These SPVs typically have no employees and their operation and management is provided by an Asset Management Provider ("AMP") under an Asset Management Agreement ("AMA").

The AMP provide the full suite of services associated with the day-to-day operation of an SPV including:

- a. **Contract Management Services** – Ensuring the SPV is compliant with all contracts and applicable laws and regulations.
- b. **Financial Management Services** – The provision of a finance function including accounts payable, accounts receivable, budgeting and forecasting.
- c. **Company Secretarial Services** – Ensuring compliance with applicable company laws and the administration of all SPV corporate affairs.

The delivery of these services requires high levels of engagement and collaboration with the public sector counterparts who procure these projects through the PPP and OFTO contracts, regular asset visits, and reporting on asset performance to all stakeholders.

The AMP perform a critical service and are integral to the successful delivery of PPP and OFTO schemes. They act as the SPV's (and by extension the investor's) representative and lead on the day-to-day engagement with public sector clients. Therefore, it is essential that their approach to asset management and their culture are aligned with those of the investor and any investment adviser.

In the PPP and OFTO market, investment advisers such as Amber will either use a third party, independent organisations to provide the AMA services, or a company that is part of the investment adviser's group. The latter approach has been adopted by Amber since its inception and it is the dominant delivery model in the sector.

In this paper we:

1. Describe the PPP and OFTO contractual framework
2. Describe the role of the AMP and the services they provide
3. Outline Amber's approach to asset management and the delivery of AMA services
4. Present the benefits of Amber's approach
5. Provide Case Studies supporting the delivery of the benefits in respect of the INPP portfolio
6. Provide Case Studies supporting the delivery of the benefits in respect of the INPP portfolio
7. Outline how the potential conflicts of a related party MSP model are managed
8. Present the average costs for the services

1. PPP AND OFTO CONTRACTUAL FRAMEWORKS

INTRODUCTION TO PUBLIC PRIVATE PARTNERSHIPS

PPPs have been utilised internationally by the public sector (“Authority”) to deliver public infrastructure assets such as schools, hospitals and other government buildings (amongst other things). The PPP structure involves a SPV entering into a long-term contract (typically with a term of 25 years or more), to design, build, finance and operate, and/or maintain a specific infrastructure asset, to be handed back to the Authority in a contractually specified condition at the end of the contract term (“Project Agreement”).

To deliver the design, construction, operational and maintenance services, the SPV enters subcontracts with appropriately qualified Supply Chain Partners (“SCPs”). The form of subcontract facilitates the pass down of the SPV’s obligations under the Project Agreement to the SCPs. To provide the necessary funding for the design and construction activities required to provide the infrastructure asset, the SPV enters into a long-term financing agreement with senior lenders, with further funding provided by its shareholders.

In consideration for the delivery of the infrastructure asset, its financing, and the provision of the operating and maintenance services, the Authority pays the SPV a payment, known as a Unitary Charge, typically on a monthly basis. Under the Project Agreement, the Authority is entitled to make deductions from the Unitary Charge where the service and/or asset provided does not meet the required contractual standard. The PPP contractual structure, as described, results in those deductions being passed down to the SCPs. For this to be achieved, the SPV needs to ensure that it adheres to the relevant provisions of the Project Agreement and its subcontracts, a failure to do so could result in unexpected costs or a reduction in expected revenues for the SPV.

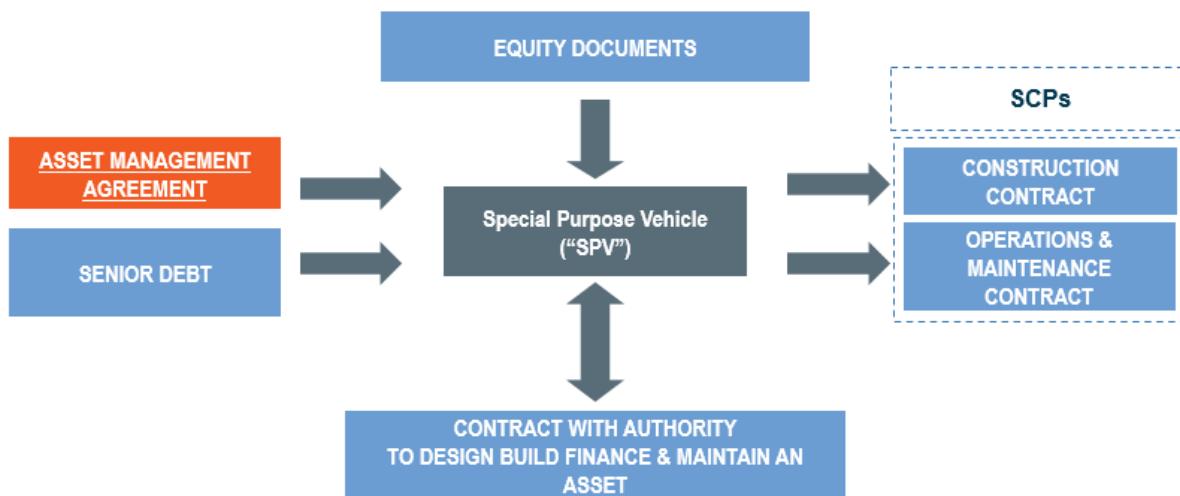


Figure 1: The PPP structure (more detail in Appendix A)

INTRODUCTION TO OFFSHORE TRANSMISSION OWNERS (“OFTOS”)

OFTOs are the owners of offshore transmission assets which connect offshore wind farms to the onshore electricity network, the OFTOs as with the PPPs are established as SPVs. The transmission assets comprise all equipment between the offshore point of connection with the generating wind farm assets and the onshore point of connection with the onshore grid network (including all cables and all ancillary equipment). OFTO transmission assets typically include offshore substations, export cables (offshore and onshore), and an onshore substation.

The SPV takes responsibility for the ownership and operation of its transmission assets following licence award by the energy regulator, Ofgem, which authorises the holder to participate in the transmission of electricity in respect of an offshore transmission system. The licence sets out the SPVs rights and obligations. In return for the licence obligations, an OFTO receives an inflation-linked revenue stream for a fixed term. Where the SPV fails to meet availability targets (currently set at 98%), it will be penalised through a reduction in its revenue stream. Penalties are capped at 10% of base revenue in any year and can accrue up to a maximum of 50% of annual revenues.

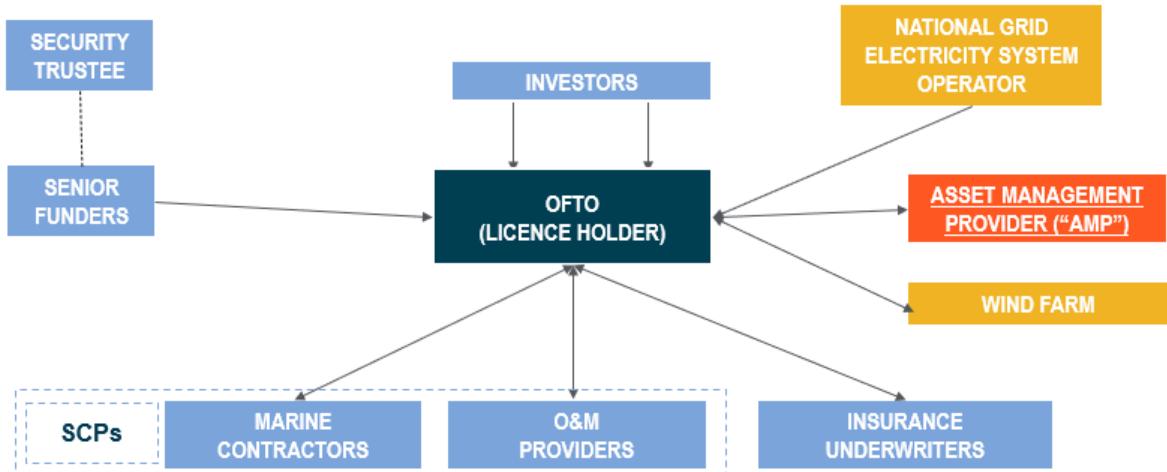


Figure 2: OFTO funding model (more detail in Appendix B)

DELIVERY OF A PPP OR OFTO INVESTMENT

Under the primary PPP or OFTO contracts the SPVs accept a number of obligations that must be discharged to ensure their compliance with those obligations. Being able to achieve this is essential for the SPVs to be able to provide stable, predictable returns to investors. Notably, the SCPs will have liability caps that limit their risk in relation to the obligations.

Under the contractual frameworks described, the majority of these obligations are passed down to the SCPs, but the individual SPV must have systems and processes in place that monitor their delivery, supported by a robust quality management system. Whilst the SPV has redress against its SCPs if it fails to satisfactorily discharge its obligations, the SPV will still be liable to the Authority for the corresponding failure under its contract with them.



PPP contracts are self-reporting, meaning there is a duty on the SPV to proactively report service performance shortfalls or unavailability events. This obligation is passed down to the SCPs, but the SPV retains an active obligation. As highlighted in the White Fraiser Report (2023), a self-reporting contract is not self-monitoring, therefore, regular site visits, and high levels of engagement with facility users are essential to ensuring the SPV can reliably demonstrate it is meeting its self-reporting obligations and that it proactively monitors the SCP's service delivery.

The SPVs must ensure compliance with all applicable laws and regulations, which due to the long-term nature of the contracts have evolved over time. There has been an observable increase in the regulatory burden for SPVs and SCPs over the contract terms. For instance, changes to fire safety regulations since the Grenfell enquiry have imposed greater duties on SPVs, where previously these duties tended to reside with the Authority or SCPs. To meet its obligations the SPV must perform an ever-increasing co-ordination role to ensure the Authority and SCPs discharge their obligations to allow the SPV to discharge its own. Similarly, the SPV's responsibilities in relation to Health & Safety and Safeguarding (principally in the education sector) are continually evolving. As Construction Design Management ("CDM") Regulations and good industry practices evolve, a greater responsibility has been placed on the SPV to oversee the work of its SCPs. A failure to properly manage these issues can not only result in substantial liabilities, but reputational damage as well.

Therefore, a highly skilled, appropriately qualified management team is required to ensure each SPV complies with its contractual and legal obligations.

2. PPP AND OFTO ASSET MANAGEMENT

Commensurate with established market practice for these classes of investment, the SPVs do not generally have employees, and their day-to-day operation and management is outsourced to an AMP under an AMA. The AMP is a private entity responsible for managing specific services, operations, or functions within a public infrastructure SPV. Unlike a full concessionaire that may finance, build, operate, and maintain an asset, an AMP typically focuses on the delivery of the contractual requirements of the Authority client by managing their delivery via the SCPs.

AMA services are essential to the successful delivery of a PPP or OFTO scheme. They are contracted at financial close, the inception of each scheme, and the associated costs are included in the offer to the Authority that ultimately determines the size of the Unitary Charge payment that is made to the SPV.

The AMP provides management services to PPPs over two distinct phases: firstly, the Construction Phase; and secondly, the Operations Phase. For OFTO schemes, the assets are operational at inception, such that the AMA scopes of work do not consider the delivery of construction period services.

The Operational Phase services concern the provision of the following:

- Contract Management Services;
- Financial Management Services; and
- Company Secretarial Services.

The services provided during the operational phase for PPP and OFTO SPVs are broadly similar, where in respect of the OFTOs, the SCPs are connected to the wind farm owners and operators. The majority of the Amber managed OFTOs (nine out of eleven) adopt an Operations and Maintenance (“O&M”) delivery model using a diverse pool of contractors. Under such arrangements, the Contract Management Services delivered under the relevant AMAs include AMP obligations to coordinate and deliver and procurement of operations and maintenance activities (as opposed to managing a SCP contract on a PPP project).

SERVICES PROVIDED UNDER THE AMA

1. CONTRACT MANAGEMENT SERVICES

Contract Management Services ensure the efficient delivery of the SPV's obligations under the primary contract with the Authority, the SCP contracts, funding agreements and all other ancillary documents (together the “Project Documents”), whilst also providing assurance in respect of the SPV's compliance with those documents. In practical terms this means the provision of an infrastructure asset or facility that is available for use by the Authority and operated in accordance with their requirements.

a. PPP SCHEMES

A typical scope of services is included in Appendix D. The services are provided over two distinct phases, the Design and Construction Phase and the Operational Phase.



Design and Construction Phase Services

The AMP's role is to ensure the facilities are completed on time and to the standards set out in the Project Documents. A dedicated Asset Manager is engaged throughout the Design and Construction Phase and typically remains with the SPV during the Operations Phase. The AMP are typically supported by the SPV's appointed advisory team, which will include an Independent Certifier ("IC"), Technical Advisors ("TA") and Legal Advisors ("LA"). For the avoidance of doubt these are independent third-party organisations and these roles are not fulfilled by the AMP. The Asset Manager retains overall control throughout this phase, providing regular monitoring through attending progress meetings, preparing monthly progress reports to stakeholders, attending on-site meetings and ensuring the Reviewable Design Data ("RDD") procedure is being implemented, by delivering high levels of collaboration between the stakeholders. The Asset Manager will also oversee the facility handover and commissioning process, the completion of all snagging items and the remediation of all identified defects, ensuring these activities are completed on time and to the required standard.



Operational Phase Services

The Operational Phase scope of works involves supporting the SPV's objectives of providing an infrastructure facility that is available for use by the Authority that meets the required contractual standards in respect of its physical condition, and the services provided to operate and maintain it. The Contract Management Services provided by the AMP during the Operational Phase fall into four broad areas:

1. **Delivery** – Ensuring the SPV discharges all legal (including Health and Safety) and contractual obligations including the provision of all contracted services and deliverables, the attendance at contractual meetings, and the reporting on performance to the SPV board
2. **Assurance** – The development and implementation of quality management systems that provide assurance in relation to the quality, consistency and contractual compliance of the services and contractual deliverables delivered by the SCPS
3. **Relationship Management** – Developing and maintaining strong relationships with all key stakeholders, facilitating high levels of collaboration and pragmatism to ensure the efficient delivery of the PPP services. This includes regular site visits to meet with the Authority and facility users and regular stakeholder engagement meetings
4. **Risk Management** – The identification, management and mitigation of SPV risks

Being able to deliver a contractually compliant service to the Authority, supported by robust compliance assurance processes, is fundamental to the success of a PPP scheme.

b. OFTO SCHEMES

The AMP's primary objective is to ensure the continued availability of the OFTO asset for use. To achieve this, the AMP team must deliver a robust program of scheduled maintenance and lifecycle activities that provide assurance around its reliability, whilst also safeguarding the ongoing availability of the OFTO assets. A typical scope of services is included in Appendix E.

2. FINANCIAL MANAGEMENT SERVICES

The AMP provides a complete finance function for the SPV to ensure its compliance with the relevant company laws and tax legislation, and to provide high levels of assurance in relation to the current and projected financial position of the SPV. These activities are crucial to ensuring the SPV is able to deliver stable, predictable returns to its investors.

PPPS AND OFTOS

The AMP finance team will comprise finance specialists responsible for delivery of the financial management services specified under the AMAs. A typical scope of services is included in Appendix F.

The financial management services ensure the SPVs comply with all relevant financial obligations specified under the Project Documents and all applicable laws and regulations related to the financial affairs of a company. The ultimate deliverables are the reports, statements, certificates and other materials required by the SPVs to meet their obligations under the Project Documents.

One of the foundations for the successful operation of an SPV is a robust cash flow management system, supported by the accounts payable, accounts receivable, budgeting and forecasting functions. This ensures that all payments due from the SPV are made on time, all income due to the SPV is received on time and that the SPV's cash flows and liquidity is diligently monitored and controlled.

All payments and invoices are peer reviewed, and all payments must be approved by the SPV Board. Any new suppliers or advisors proposed to act for the SPV will be subject to an in-depth Know Your Customer ("KYC") and onboarding process.

The SPV boards receive regular management accounts that provide detailed analysis of the SPV's performance relative to agreed budgets, variance analysis and cash flow forecasts to demonstrate its ongoing ability to meet liabilities as they fall due. The latter will be supported by the regular update of the SPV's financial model forecasts, which are submitted to its senior lenders and approved by the SPV board on a regular basis to evidence compliance with the obligations under the funding documents.

From an investor perspective, the AMP role is essential to ensuring the SPVs can deliver stable predictable returns to investors. They do so by facilitating lender approvals for the payment of shareholder distributions, whilst also providing the SPV board with the necessary confidence in the SPV's financial position to be able to declare and approve such distributions.

The successful delivery of the finance function of an SPV requires close collaboration with the Authority, SCPs, SPV board and other stakeholders. Effective communication, supported by strong relationships are essential to ensuring the efficient delivery of the AMA obligations and a contractually compliant service.

3. COMPANY SECRETARIAL SERVICES

The activities associated with ensuring the SPV's compliance with company law, including the administration of all company books and the minuting of SPV board meetings.

PPPS AND OFTOS

Company secretarial services comprise the services necessary to ensure that the SPV is administered in accordance with the relevant company laws and regulations. A typical scope of works is included in Appendix G.

The delivery of company secretarial services provides effective governance and regulatory compliance, contributing to the streamlined operation of the SPVs. The provision of such services not only ensures that SPVs operate in accordance with law, but can serve to enhance confidence amongst investors, lenders, and the Authority that an SPV is being managed in accordance with the appropriate standards.

Additionally, the provision of company secretarial services by experienced asset management providers plays a key role in managing relationships between the various parties involved in a PPP or OFTO. The SPV structures involve a variety of stakeholders and consequently, clear communication and structured decision-making are essential to their proper functioning. The provision of robust company secretarial services facilitates this, by enabling the management and ensuring the avoidance of actual or potential conflicts of interests.

The AMP plays a pivotal role in administering board meetings, enabling transparency and accountability in an SPV's decision-making processes. This minimises the risk of disputes and misunderstandings amongst stakeholders, fostering greater collaboration between the private and public sector, while also enhancing the operational performance of the SPV.

Finally, the delivery of company secretarial services in the day-to-day management of an SPV can ensure the alignment of stakeholders' objectives. By providing a framework for proper corporate governance, the AMP contributes to ensuring that an SPV's operation is aligned with the financial and operational goals of both public and private partners. Additionally, effective company secretarial support enables an SPV to be more agile in responding to changing market conditions and regulatory environments, thereby ensuring its ability to continue delivering on its objectives.

WIDER MARKET

In the international PPP and OFTO marketplace there are numerous AMPs and as the market has developed, especially in the UK PPP sector, we have seen a gradual consolidation process, which to a larger extent has been driven by:

- Secondary market activity resulting in AMA's being transferred to the new owner's preferred AMP, generally as a condition of the acquisition
- M&A activity leading to the mergers of AMPs

The AMP will either be a third party, unrelated to the investment manager or investor, or a related party. The latter is currently the dominant delivery model in the sector¹, and we have observed several investment managers who had previously adopted a third-party delivery model establishing their own AMPs. It is the model that has been adopted by Amber since the company's inception over 20 years ago.

Whilst there remain investment managers that utilise third party providers, they are currently in the minority. In addition to the AMP services Amber provides to INPP, it is also currently appointed as the third-party AMP for one of these investors.

¹ See Appendix C

3. AMBER'S APPROACH TO ASSET MANAGEMENT

Amber in its capacity as Investment Adviser ("IA") to INPP manages 119 PPP and 11 OFTO investments in SPVs. Of those investments, 61 PPPs and all OFTOs have entered into AMAs with an Amber group or, in the case of OFTOs, an affiliated company.

To deliver these services Amber employs a dedicated, international team of infrastructure professionals from a variety of backgrounds including accountancy and finance; construction; engineering; facilities management and surveying. This blend of skillsets ensures that as the owner of an AMP, Amber has the necessary expertise and knowledge to deliver a market leading proactive approach to the management of the SPVs.

The AMP acts as a bridge between the day-to-day management of the SPVs, its stakeholders and ultimately the INPP board. The AMP, as the representative of the SPVs is ultimately responsible for representing INPP and its culture in a consistent manner across the portfolio. For this to succeed there needs to be:

- High levels of collaboration
- A consistent approach to contract management
- A consistent approach to relationship management
- Efficient and effective communication

To achieve this, the IA needs to have high levels of control and influence over the operation of the AMP and its processes and procedures supported by high levels of collaboration, to ensure that they reflect the objectives and culture of Investor and the IA.

PPP

The AMP team's experience covers the four key phases of an SPVs lifecycle: procurement; construction; operations; and expiry. The long-term nature of the AMAs has allowed Amber to invest in, and develop these teams, providing high levels of staff retention, critical to the successful management of long-term investments which are predicated on high quality trust-based relationships. The average length of service in the PPP contract management teams is 8 years, with the longest serving member having been with Amber's predecessor organisation since 2004. The duration of the AMP team's appointments help to support the development and maintenance of long-term relationships and the accumulation and retention of asset intelligence.

Amber have placed a strong focus on evidenced compliance and has developed robust processes and procedures supported by a quality management system to ensure this. Amber also focuses on the importance of maintaining and developing high quality relationships with all stakeholders ensuring a pragmatic approach to contractual discussions supported by high levels of trust.



OFTO

A multi-contract approach to the procurement of Mechanical & Engineering services is adopted by the AMP across the transmission system. This approach is unique and differs from other OFTO operators as the AMP is able to provide a local site presence, which sets it apart from its competitors.

The current team has been in existence since the first OFTO (Robin Rigg) closed in March 2011 and comprises experienced, highly focused individuals with the specialist technical skills required to manage offshore transmission assets. As each subsequent OFTO has been closed (or where O&M arrangements have changed) the team has grown, and currently comprises, a team of dedicated personnel who collectively have over 88 years of experience in successfully bidding, acquiring, managing and operating OFTO assets. For each new OFTO scheme the AMP employs a dedicated Senior Asset Manager ("SAM") and High Voltage Technician ("HVT"). The AMP operations team are well qualified to operate these assets given their experience of managing a diverse set of sites constructed by Ørsted, Scottish Power, SSE Renewables, RWE and Ocean Winds.

The AMP uses a pool of qualified, operational staff who can flexibly work across any OFTO under its safety rules and procedures common across nine of the eleven OFTO assets (the exceptions are Dudgeon and Robin Rigg which are operated and maintained by the connected wind farm owner/operators). This structure (noting the two exceptions) ensures the AMP is not dependent on contractors and their availability for the delivery of day-to-day operations. This flexibility allows the AMP to be agile and the capability to rapidly respond to any emerging issues.

A work scheduling function has been developed that identifies all requirements well in advance of works commencement to ensure resource availability. Two contractors are made available for each specialist area to provide further resilience. Since 2011, the AMP has developed strong relationships with all the major Original Equipment Manufacturers of the OFTO for items that require their specialist intervention.

Amber's approach has meant that since close the average availability of the OFTO portfolio it manages is 99.9%, significantly in excess of Ofgem's 98% target availability level.



4. THE BENEFITS OF AMBER'S APPROACH

CONSISTENCY, CONTROL AND CULTURE

Amber's approach is focused on the delivery of high-quality infrastructure assets to the public sector, supported by a client focused approach to relationships and a proactive approach to Asset Management. This ethos is embedded in Amber's culture, processes and policies. To protect and where possible enhance investor returns the AMP needs to ensure that the SPVs are managed consistently and reflect Amber's approach and culture. The ability to ensure this culture filters down through all aspects of an SPV's management is best achieved where the IA can exert high levels of control over the AMP and how it operates.

The investments in the PPP and OFTO portfolios benefit from having similar contractual structures and obligations such that the risks and opportunities associated with one investment are highly likely to be relevant to others in the portfolio. Furthermore, due to these similarities, the poor performance of one investment risks being considered by the Authority and the public sector more widely as evidence that poor performance exists in respect of other assets owned by INPP and/or managed by Amber, with the opposite also being true. Therefore, assured consistency is of fundamental importance and having the ability to deliver a consistent approach to the management of SPVs will help to reduce risk and support the delivery of opportunities and enhancements, for example:

- **Risk Management** – All PPP and OFTO risks are managed in a standardised way across the portfolio, providing greater assurance that all key sector specific risks have been identified and that a consistent approach to their mitigation is adopted, ultimately reducing risk
- **Lessons Learned** – The knowledge and experience gained from operating the PPPs and OFTOs can be rapidly disseminated across the portfolio to reduce risk and deliver opportunities. For instance, where a new matter is identified, the key learnings and risk mitigation measures can be adopted across the portfolio in quick order with assurance that each SPV will respond and implement them in the same way
- **Asset Performance Reporting** – The control and related consistency benefits delivered by a related party AMP model ensure that the data, reports and any other materials they provide are aligned with the IA's requirements in terms of their content (and style)
- **Portfolio Analysis and Insights** - The structure supports the efficient flow of information and asset intelligence up to a portfolio level, which in turn helps to facilitate the delivery of portfolio level analysis of asset performance to identify trends and drive interventions. This analysis can provide valuable insights which may deliver opportunities to mitigate risks or enhance value
- **No Surprises** – The IA operates a no surprises approach to reporting on the performance of the assets it manages. This approach is embedded in the IA's culture processes and procedures and by extension the AMP's. Amber employees are actively encouraged to provide clear and transparent reporting on all investment matters, such that any potential issues are identified at the earliest opportunity allowing for decisive action to be taken to address them

PORTRFOIO MANAGEMENT

During the investment period, there have been many events that have affected (or have the potential to affect) all, or a significant proportion of the SPVs, which have required a coordinated, consistent, managed response. Recent examples include exercises to gather information to assess emerging or current portfolio risks and develop an appropriate response or action plan. Such events include:

- Labour's proposed Nationalisation of all PPP schemes
- The effects of Brexit on the SPV's supply chain partners and their ability to deliver services
- The effects of COVID-19 on the SPV's ability to deliver services and the contractual reliefs available where this was not possible
- OFTO Outages
- The failure, or potential failure, of a key supply chain partner (see Case Studies)

Where these risks manifest, as was the case in relation to the final item, utilising a single, related party AMP means that a controlled and consistent portfolio wide response can be efficiently delivered, under the direction of the IA to effectively mitigate the identified risks. This is equally true in respect of any opportunities to enhance the value of the SPVs, and by taking a collaborative portfolio approach the IA and AMP can maximise the benefit of such opportunities. These can include (but are not limited to):

- The procurement of common services such as audit, insurance and health and safety advice (see Case Studies)

- The development and implementation of treasury management policies to maximise the earnings from SPV cash deposits (see Case Studies)
- The identification and delivery of refinancing opportunities
- The identification and delivery of opportunities to enhance INPP's yield profile

DURATION OF RELATIONSHIPS

The success of an OFTO or PPP scheme is intrinsically linked to the existence of high quality, trust-based relationships, that support a collaborative, pragmatic approach to contract management by the relevant parties. The duration and consistency of those relationships is a significant factor and long-term AMA contracts incentivise the AMP to invest in its staff and their development to support their retention. A related party AMP further supports retention due to the alignment of the IA and AMP interests allowing the wider Amber group to create appropriate incentivisation structures to support their retention.

The long-term relationships that Amber have with the SPVs they manage, and the accumulated knowledge that has been built up by having a stable AMP team delivers significant benefits to investors by helping to facilitate pragmatic contractual discussions and helping to avoid disputes and conflicts. This has proven to be particularly invaluable during the hand back phase of a PPP scheme which requires the AMP to possess extensive historic knowledge of the PPP properties and the contractual variations agreed over the concession term.

RELATIONSHIP MANAGEMENT

At a local, facility level, the Authority's primary relationship will be with the AMP staff, who are responsible for managing all day-to-day contract administration matters. Therefore, it is essential that the AMP's communications, conduct, approach and values are in complete alignment with those of the IA, the SPV Board, and ultimately the investors. This is most easily achieved by utilising a single organisation from the same group of companies each having a consistent set of processes and procedures and most importantly a consistent culture that drives and shapes how the AMP team interacts with the Authority.

In respect of the SCPs, each SPV will have a local level relationship managed by the AMP. The SCPs in several instances provide services to multiple SPVs across the INPP portfolio and therefore, it is essential that the AMP teams manage those relationships (and contracts) consistently across the entire portfolio. It is equally essential that the SPV ensures the SCPs adopt a consistent approach to relationships, service delivery and commercial discussions across the portfolio. This materially reduces the risk of disagreements and disputes arising and demonstrates to the SCPs that the SPVs managed by Amber have a consistent and coherent approach to their management. The related party model provides greater assurance around the delivery of this approach by affording greater control over the AMP's relationship and contract management approach.

COLLABORATION

The related party model, by its very nature delivers greater levels of collaboration between the IA and AMP and stronger relationships due to their shared corporate identity, information systems, approach and culture.

Collaboration takes place at two levels:

- **SPV Board Level** – The IA and AMP teams work closely together to resolve issues, deliver opportunities, manage risks and develop lessons learned
- **Corporate Level** – The IA works with the AMP to develop its processes, policies and procedures to ensure that they are in alignment with their interests and deliver on their required outcomes. Senior representatives meet monthly to review AMA compliance, and the performance of the SPVs on a portfolio basis. In relation to the latter, the group jointly consider all current and emerging portfolio risks and jointly develop an approach to assess the extent to which they effect the SPVs in the portfolio and strategies to mitigate them, such as the recent changes in Fire Safety Regulations

As noted in a preceding section, in relation to Health and Safety, it is essential that all parties associated with the SPV work closely and coordinate their activities to ensure all role and responsibilities are clearly understood and all obligations are satisfactorily discharged.

CONFIDENTIALITY

By utilising an AMP within the IA's group, flows of confidential SPV data can be effectively controlled ensuring examples of best practice, processes, procedures, policies, lessons learned and other intellectual property of the IA and SPV remain within the IA's group protected by common data protection and retention policies. Were the

AMA services are provided by a third-party AMP there is a risk that, despite those providers being bound by confidentiality provisions under their AMA, they could still utilise what they have learned from managing INPP's investments to deliver the same competitive advantages and benefits to their customers, who will be INPP's competitors.

5. DELIVERING THE ADVANTAGES OF THE AMBER APPROACH - CASE STUDIES

INSOLVENCY OF CARILLION PLC



to enact a contingency plan.

The initial stage of the plan included releasing an Information Memorandum (“IM”) and providing access to a portfolio data room to potential Facilities Management Contractors (“FM Cos”) who had the necessary capability and capacity to replace Carillion. This allowed the FM Cos to develop an understanding of the relevant contracts and to submit a proposal. These market engagement activities were able to commence and conclude efficiently as the IMs were pre-prepared by the AMP, in a standardised format enabling the relevant SPVs to have a pre-procured replacement provider in advance of Carillion’s eventual insolvency.

Following Carillion’s liquidation, the IA, utilising the AMP team, were able to react efficiently, consistently and decisively to control the process. All payments to Carillion were suspended, all dialogue with Carillion’s liquidators, Authorities and SPV lenders followed consistent messaging, and the transition process was managed across the portfolio. Ultimately, Amber was able to deliver an efficient transition to a new FM Co resulting in the SPVs incurring limited costs associated with the process, with the majority of the SPVs having transitioned to the new provider in less than two months, and shareholder distributions resuming shortly thereafter.

ADMINISTRATION OF INTERSERVE PLC

Interserve PLC (“Interserve”) entered a pre-pack administration in March 2019, affecting ten SPVs in the INPP portfolio. Whilst Interserve continued to trade and provide services, due to the IA’s concerns about the credit quality of the proposed replacement guarantor, a market engagement activity, identical to that carried out for the Carillion portfolio was undertaken. This ultimately resulted in the selection of a preferred FM Co who could replace Interserve should it be necessary. Ultimately, the Interserve facilities management business was acquired by Mitie PLC. However, due to the IA having a tangible alternative to the Mitie offering, Amber was able to negotiate certain enhancements to the FM Agreements with Mitie that ultimately benefited INPP and its shareholders.



This was made possible because of the retained knowledge and experience gained from the Carillion insolvency process, and the AMP’s standardised, consistent approach to the development and implementation of contingency plans.

HAND BACK OF THE HEREFORD AND WORCESTER COURTS PPP SCHEME

The Hereford and Worcester Courts (“H&W”) scheme was a 25-year PPP concession which delivered three new-build Magistrates courthouses in Hereford, Worcester and Kidderminster, the refurbishment of an existing courthouse in Redditch and a separate administration block in Kidderminster. The concession expired on 5 September 2025. During the 25-year term the SPV provided facilities management services to the courthouses via its subcontractor Mitie (and its predecessor organisations), the same AMP has provided SPV management services to the SPV since inception and the general manager has been in post for 19 years.



H&W represents the first PPP scheme to be handed back by INPP and the AMP and the first PPP courts scheme to be handed back to His Majesty's Courts and Tribunal Services. On commencement of the process, there was no established industry guidance as the National Infrastructure and Service Transformation Authority, (NISTA – the government body responsible for handback) had not yet released its asset condition playbook. To add to the challenge, the H&W contracts were developed before PPP contracts were standardised. Consequently, the successful delivery of the process required high levels of collaboration, transparent and honest communication and an equitable, pragmatic approach to commercial negotiations. Whilst the business-as-usual ("BAU") teams were involved due to their invaluable historic knowledge, each party established dedicated expiry teams, essential to ensuring the BAU teams could focus on operational service delivery. The AMP appointed a dedicated expiry team including a Project Director, internal legal support, and a data controller responsible for managing and organising the substantial volume

of data to be transferred. Working in cooperation the public and private sector stakeholders were able to deliver a successful expiry process as evidenced by the immediate, positive feedback provided in correspondence from the Ministry of Justice. This in turn led to a recommendation from NISTA to their advisors to use the H&W Project as a case study.

The process was successful due to the long-term relationships and knowledge of the AMP team responsible for H&W and their ability to work in close cooperation with the IA team, which allowed for efficient decision making and the development of solutions to the challenges that arose. The processes developed and the lessons learned will be utilised to benefit future hand back processes and over time it is hoped that the collective organisational experience of the AMP and IA will help to improve efficiency and deliver a consistent approach to all public sector customers.

PROCUREMENT

The related party model supports the efficient delivery of portfolio-wide procurement exercises which have historically delivered significant savings to the SPVs ultimately enhancing investor returns, and payments to Authorities through contractual risk share mechanisms.

Insurances for the PPP schemes are procured as a portfolio, and to gather the necessary information to support the renewal process, the IA's portfolio team work collaboratively with the AMP teams such that the necessary information is presented in a consistent format, and queries from insurers are promptly responded to. Historically this process has yielded significant savings relative to procuring the insurances on a standalone basis. The insurers also take into consideration, and look favourably upon, the fact that the SPVs have one, highly regarded AMP. Insurers value the AMP's proactive approach to risk management, which ultimately leads to the SPVs paying lower premiums, which in turn sees the Authorities benefiting from a share of these savings under contractual risk share mechanisms.

Other services procured as a portfolio where cost savings have been delivered and which have been assisted by the presence of a consistent AMP include (but are not limited to):

- **Audit Fees** – Portfolio discounts are achieved as auditors review a standardised and consistent set of working papers and a single set of control procedures increases the efficiency of the audit process. In addition, the strong linkage with the Investment Adviser provides greater assurance that the Directors have a full understanding of the companies, and the risks associated with them
- **Health and Safety Advisory** – Health and Safety audit discounts are achieved as advisers know their audits will proceed efficiently with all documentary evidence required being available for inspection due to the AMP coordinating their visits and preparing the SCRs consistently
- **Lifecycle Cost Consultancy** – Amber has a standardised and consistent approach to the collection of asset data and the recording of lifecycle expenditure. This ensures that lifecycle cost consultants can efficiently complete their reviews, thereby reducing the cost of their appointment as well as the internal resource time associated with managing their engagement

ASSET MANAGEMENT PROCESSES, POLICIES AND PROCEDURES

Amber's AMP processes and procedures are developed in collaboration with the IA ensuring that they meet the needs of the SPV, whilst also delivering on the IA's objectives. Due to this close, collaborative relationship the development and implementation of these policies and procedures can be delivered efficiently under the control and guidance of the IA.

Examples include:

- **Payment Processing** – The AMP has leveraged in house expertise and technology to automate accounts payable processes, developing a tool that reduces the risks associated with making payments and recording audit data such as underlying documentation and approvals
- **Treasury Management** – The IA has developed a treasury management policy providing clear guidance in relation to how SPV cash deposits should be managed to maximise interest earnings from placing cash accounts on short term deposit without exposing it to any material liquidity or counterparty risks. The AMP has taken this policy to develop and implement a process for its finance team and the SPVs are receiving significant benefits in terms of the additional interest earnings (relative to what would have been earned were the cash to remain in a current account)
- **Lifecycle Management** – To ensure a consistent approach to lifecycle risk management is adopted across the PPP portfolio, the IA has developed a lifecycle policy, providing clear guidelines for the AMP's around how lifecycle expenditure is reported, how any savings should be treated and the process for reporting any projected overspends
- **Maintenance Compliance Assurance** - The AMP and IA have jointly developed a PPP audit schedule consisting of 20 property compliance audits, guaranteeing a uniform approach to the delivery of compliance activities across the PPP portfolio. The audits are managed using a dedicated PPP compliance platform, which schedules audits and records their results including any follow up actions providing immediate, real-time insights into an audit's progress, follow up action status and levels of compliance across SPVs. It also allows for the benchmarking of performance across SCPs making it possible to highlight performance concerns, or examples of good practice that should be escalated or notified to the SCP at a senior level where necessary
- **Hand Back** – The IA and AMP teams have collectively developed a hand back strategy and ethos for the PPP investments under Amber's management, which is intended to ensure a consistent approach is taken across the portfolio providing the public sector with clarity around how Amber as an organisation will deliver a PPP hand back process. This has included developing a hand back program, resource plan, and processes.

6. MANAGING CONFLICTS

Utilising a related party AMP has the potential to create conflicts for the Directors appointed by the IA to the SPV boards, in terms of the commercial arrangements in place and the performance of the AMP. There are several measures in place to manage such conflicts. These include those associated with Director's duties under the relevant local company law, the commercial environment, and Amber's compliance procedures.

DIRECTORS DUTIES

The individuals appointed by the IA to be Directors of the SPV Board must deliver the duties of directors under the Companies Act (2006)², these include:

- Acting in good faith in the best interests of the Company
- Avoiding conflicting interests and duties
- Promoting the success of the company for the benefit of its members
- Managing the company's business and exercising all the company's powers

Each Director has registered a statement of their conflicts with the SPV company secretary.

COMMERCIAL ENVIRONMENT

AMA services are contracted on inception at financial close, with the associated costs included in the original economic appraisal of the relevant scheme. The scope and costs of these services are evaluated by the Authority as part of the competitive SPV tender. Additionally, these arrangements undergo review, benchmarking, and assessment by the INPP Investment Committee during the investment decision process.

During the Operational Phase, Amber may offer to provide additional, out of scope services to the SPVs, noting that such events are rare. Where such a proposal is presented, they are benchmarked against fee proposals from third-party providers to ensure best value is delivered. Where such a proposal relates to multiple SPVs, the proposals are submitted to the relevant investment committee and the INPP board for approval.

AMBER COMPLIANCE

The AMP team appointed to deliver the day-to-day running of the SPVs are prevented from being appointed as Directors of the SPVs they are involved with, to ensuring a clear separation of roles and responsibilities.

Each AMA has a detailed scope of works and related obligations. To ensure the AMP is delivering those obligations and is compliant with its contract, the IA requires that the AMP submits a quarterly AMA compliance report which records each element of the scope of works and the AMP's evidence that they have discharged their obligations. For instance, the obligation to issue board minutes within a specified number of days following a board meeting taking place.

The IA manages the AMP against 48 KPIs that are tracked and monitored allowing for an objective assessment of the AMP's performance and providing the necessary contractual evidence to escalate matters where performance falls short of the required standards.

7. REMUNERATION

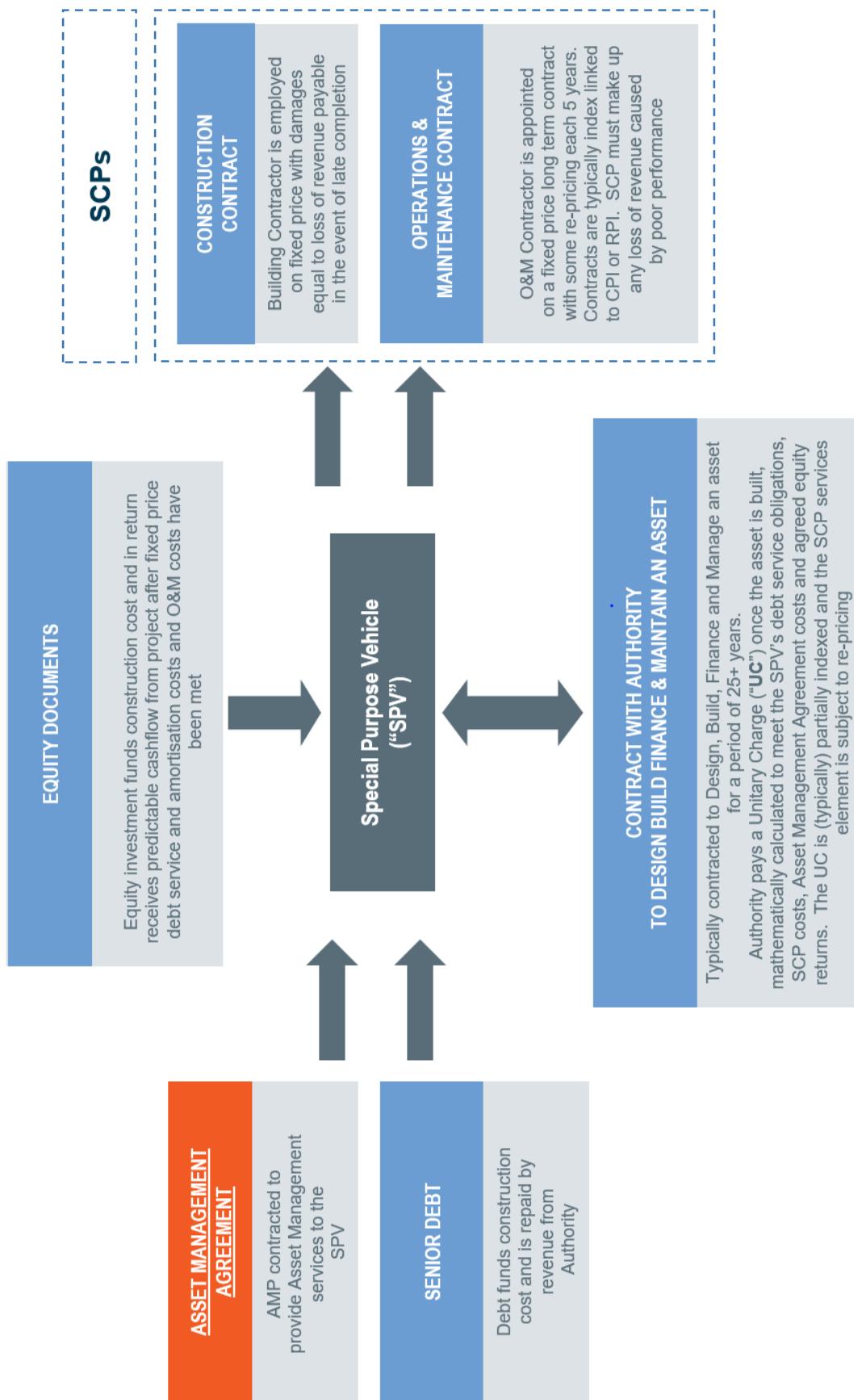
The SPVs have Asset Management Agreements ('AMA') in place for the life of the PPP and OFTO concessions. The AMA cost is indexed annually utilising the same indexation methodology as the revenue payment received from the Authority.

As at 30 June 2025, 61 PPP and 11 OFTO SPVs within the INPP group, maintained Asset Management Agreements ('AMAs') with Amber Group and its affiliated companies. Aggregate AMA costs receivable by Amber Group were c. £16.9 million on an annualised basis, equating to c. £0.2 million per AMA.

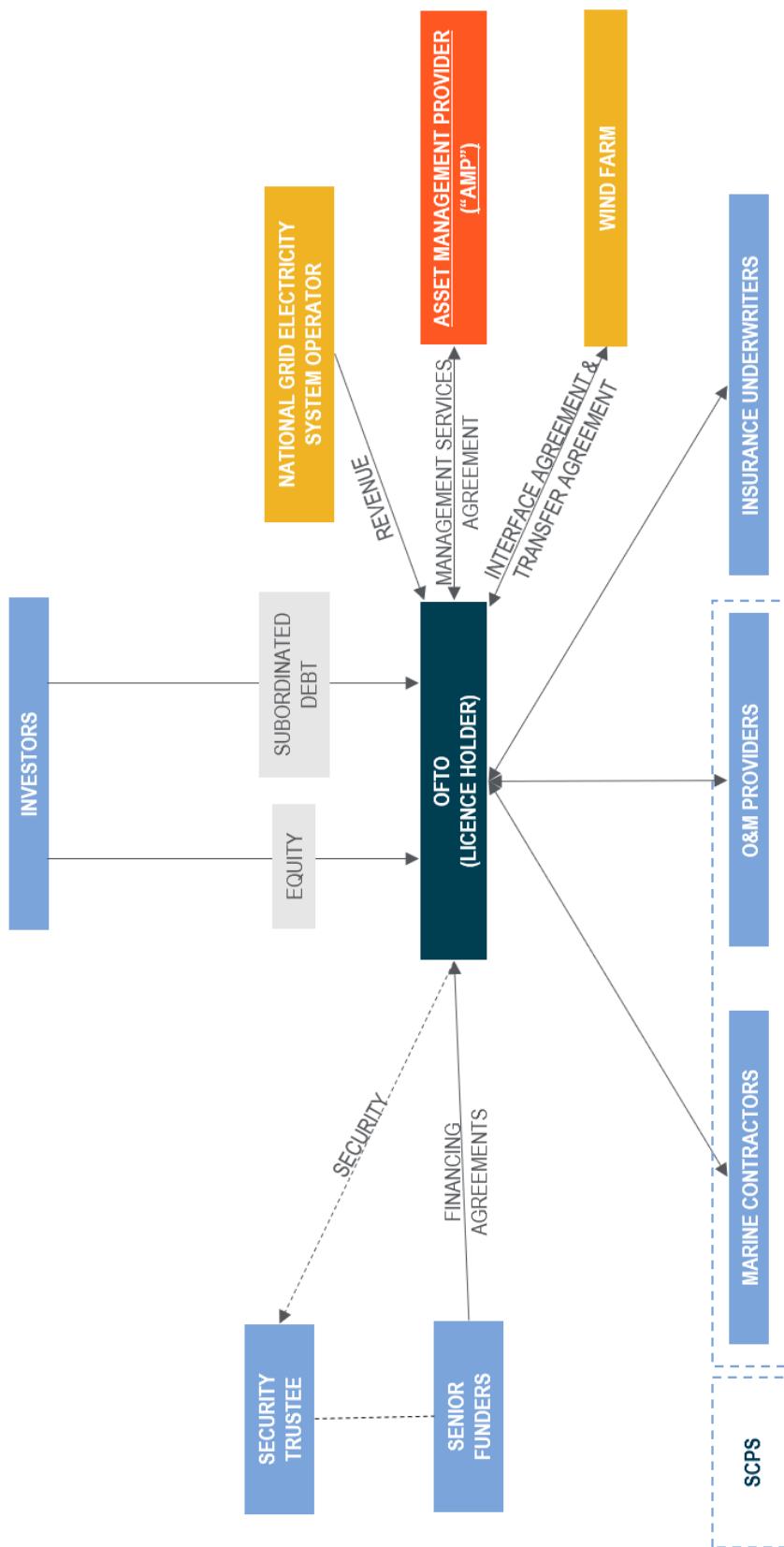
These AMA fees are distinct from the investment advisory fees payable to Amber Fund Management Limited under the Investment Advisory Agreement with INPP, the basis of which is disclosed in the Company's annual and half year financial statements.

² Company law in the other jurisdictions in which Amber operates contains broadly equivalent provisions.

APPENDIX A – PPP STRUCTURE



APPENDIX B – OFTO FUNDING STRUCTURE



APPENDIX C – INVESTMENT ADVISERS AND THEIR RELATED PARTY MSP

Investment Adviser	AMP
Equitix	Equitix Management Services Limited
Semperian	Semperian Asset Management Limited
Innisfree	Vercity Management Services Limited
Dalmore Capital	Resolis Limited
CIVIS PPP	Albany SPC Services Limited
Alba Infrastructure (previously part of 3i)	Infrastructure Managers Limited
Kajima	Kajima Partnerships Limited
Dexus	Dexus Community Infrastructure Trading Trust
Palisade	Palisade Infrastructure Management
Morrison & Co	Morrison & Co

APPENDIX D – TYPICAL PPP CONTRACT MANAGEMENT SERVICES

PPP – GENERAL

Conducting the general management services necessary for undertaking project management and overseeing efficient operation of the SPV's businesses, including (but not limited to):

- a. Preparing the SPV's Health & Safety Policy for approval and thereafter monitoring its implementation by the SPV and its sub-contractors. Regularly reporting on Health & Safety matters;
- b. Monitoring the performance by the counterparties to the Project Documents, Ancillary Documents, Financing Agreements and the Constitutional Documents of their contractual obligations and reporting to the board of directors of the SPV and making recommendations regarding the performance under the contracts;
- c. Preparing monthly project reports for submission to the board of directors of the SPV.

PPP - CONSTRUCTION PHASE

Working with the employer's agent (or equivalent) appointed by the SPV in relation to the Project during the design and construction and in particular:

- a. Acting as liaison between the SPV and its sub-contractors as necessary pursuant to the Project Agreement and the Project Documents;
- b. Attending regular progress meetings with the public sector client and the sub-contractors and any other meetings as required, so as to enable the SPV to fulfil its contractual obligations;
- c. Monitoring phasing and decanting so as to identify potential problems and facilitate resolution of conflicts with the public sector client and with the sub-contractors;
- d. Liaising with, and providing all information reasonably required by, the Independent Certifier and responding to comments and reports of the Independent Certifier and taking action as appropriate;
- e. Liaising with, and providing all information reasonably required by the Technical Adviser and responding to comments and reports of the Technical Adviser and taking action as appropriate to enable the SPV to fulfil its contractual obligations; and
- f. Monitoring the compliance of, reporting on non-compliances by, and recommending remedial courses of action for, the Building Contractor under the Building Contract.

PPP - OPERATIONS PHASE

- a. Acting as the liaison between the SPV and its sub-contractors as required pursuant to the Project Agreement and the Project Documents;
- b. Representing the SPV at all meetings required under the Project Documents or Financing Agreements with the Authority, the SPV's sub-contractors and the Senior Lenders and each of their professional advisers;
- c. Managing the tendering of any additional services arising out of any variation to the Project Agreement and the Project Documents;
- d. Managing the market testing and benchmarking procedures reasonably required by the SPV for the SPV;
- e. From time to time facilitating on-site liaison between the SPV, the sub-contractors and their respective contractors and the Authority in respect of all operational elements of the SPV in accordance with the Project Agreement and the Project Documents; and
- f. Seeking to facilitate the swift resolution of any disputes between the Authority and/or sub-contractors and the SPV;
- g. Providing technical advice (unless otherwise specifically instructed) as appropriate;
- h. Monitoring and reporting on compliance with the obligations of the SPVs under the Constitutional Documents;

- i. Monitoring, calculating and maintaining detailed records of the following amounts pursuant to the Project Agreement Payment Mechanism provisions:
 - i. The Unavailability Deductions for each Contract Month;
 - ii. The Unavailable but Used Deductions for each Contract Month;
 - iii. The Service Performance Deductions for each Contract Month;
 - iv. The Reporting Deductions for each Contract Month;
 - v. The Catering Deductions for each Contract Month; and
 - vi. Amounts due in respect of Utilities and Pass-Through Costs.
- j. Arranging, in consultation with the board of directors, all necessary insurance cover premiums being charged as appropriate to the account of the SPV, including but not limited to those in respect of the Required Insurances under the Project Agreement;
- k. Renewing and maintaining all insurances required under the Project Documents and Ancillary Documents, including dealing with renewals, claims and requests for information from insurers;
- l. Dealing promptly with all notices concerning the project, including under the Project Agreement and Financing Agreements.

APPENDIX E – TYPICAL OFTO CONTRACT MANAGEMENT SERVICES

OFTO - MANAGEMENT SERVICES

- a. Managing advisers including legal, H&S, insurance, audit and compliance;
- b. Managing the placement and administration of insurance policies;
- c. Managing the operation, inspection, repair and maintenance of the assets via management of O&M subcontractors;
- d. Managing interfaces with the generator and other stakeholders;
- e. Managing the interface with Ofgem on licence issues;
- f. Managing interfaces with NETSO via the SO-TO code (STC) and being an OFTO representative on the STC committee;
- g. Managing funder interfaces;
- h. Undertaking the necessary financial, regulatory and compliance reporting requirements.

OFTO - O&M ACTIVITIES

- i. Scheduled Maintenance, including ad hoc repairs that can be deferred in order to be accommodated within the maintenance programme;
- j. First line response to events and, where necessary, second line support and fault repair;
- k. 24/7 control room and monitoring;
- l. Provision of Senior Authorised Persons and electrical safety rules;
- m. Provision of vessels;
- n. Routine inspections of export cables; and
- o. Co-ordination and overall control of O&M activities;
- p. Managing asset enhancements and ultimately, decommissioning.

APPENDIX F – TYPICAL FINANCIAL MANAGEMENT SERVICES

- a. On an annual basis or as may be required to enable the SPV to comply with their statutory obligations;
- b. Maintaining the audited accounts and records of the SPV required under relevant company law or any re-enactment thereof;
 - i. Arranging for the preparation and submission of the Annual Accounts of the SPV required pursuant to the Companies Act 2006 or any re-enactment thereof and arrange the timely filing thereof (and in any event within four months of the end of the financial year);
 - ii. Arranging for the preparation and timely filing of all returns relating to VAT;
 - iii. Arranging for the preparation and timely filing of all returns required by Tax Authorities;
 - iv. Arranging for prompt payment of all sums due to be paid by the SPV to Tax Authorities.
- c. Arranging for the preparation of an annual budget for each of Hold Co and the SPV for each financial year. Such annual budgets must be submitted no later than one month before the start of each financial year;
- d. Arranging for the preparation for cashflow forecasts for the SPV for each period of 12 months following the Commencement Date, and each quarter thereafter on a rolling basis as soon as practical and at the latest by three weeks before the end of each quarter;
- e. Arranging for the preparation of cashflow statements for the SPV for each period of 12 months immediately preceding the beginning of each quarter following the Commencement Date;
- f. Arranging for the preparation of all financial information relating to the SPV required to be provided pursuant to the Project Agreement and the Financing Agreements;
- g. Arranging for the preparation and where relevant inclusion within the Monthly Report, of all financial information required to be delivered to the shareholders in the SPV;
- h. Arranging for the preparation of any other financial or management information relating to the SPV as may be reasonably requested from time to time by the SPV, including monthly management accounts, such accounts to be provided ten (10) days from submission of the request by the SPV;
- i. Providing and maintaining an operating model that is agreed with the Board and the Senior Lenders, and which provides for:
 - i. Updating for actuals, including revenue, costs, RPI and variations; and
 - ii. Preparing semi-annual forecasts for the Senior Lenders.
- j. Preparing and submitting to the Authority monthly invoices for payments under the Project Agreement and the Project Documents, together with the relevant supporting documentation in the format required by the Project Agreement and the Project Documents;
- k. Liaising with the Senior Lenders and providing information to satisfy their information requirements under the Financing Agreements;
- l. Paying bills and invoices unless otherwise specifically instructed by the SPV or designated in, inter alia, the Project Agreement regarding the SPV;
- m. Receiving and checking invoices from sub-contractors and others;
- n. Making all payments as required out of the SPV's bank accounts, to be done in accordance with the relevant bank mandates and the Financing Agreements;
- o. Reviewing and complying with accounting and management internal control procedures for the SPV;
- p. Monitoring, calculating and maintaining detailed records of the following amounts pursuant to Schedule 6 to the Project Agreement (Payment Mechanism);
 - i. The Unavailability Deductions for each Contract Month;
 - ii. The Unavailable but Used Deductions for each Contract Month;
 - iii. The Service Performance Deductions for each Contract Month;
 - iv. The Reporting Deductions for each Contract Month;
 - v. The Catering Deductions for each Contract Month; and
 - vi. Amounts due in respect of Utilities and Pass-Through Costs.
- q. The preparation of sales invoices and monitoring of cash receipts in line with contractual requirements;
- r. Review of deductions resulting from the performance of sub-contractors;
- s. Providing support in relation to the procurement of contract variations;
- t. the calculation and agreement of contractual risk sharing payments (or receipts) with the public sector;

- u. Assessment of key developments on the company and shareholders, such as the presentation of impact analysis where performance has resulted in a material change in outlook;
- v. Lifecycle monitoring, including reporting on current lifecycle forecasts compared to original profiled spend and ensuring appropriate treatment of cumulative under/overspends to date.

APPENDIX G – TYPICAL COMPANY SECRETARIAL SERVICES

- a. Maintaining statutory records and registers of the SPV;
- b. Preparing and despatching notices of the boards of directors of the SPV;
- c. Preparing and dispatching notices of the meetings of the shareholders and the noteholders (where applicable) of the SPV;
- d. Preparing the minutes of the boards of directors of, and the meetings of the shareholders and noteholders of, the SPV;
- e. Preparing and filing all resolutions and related documents with the Registrar of Companies;
- f. Attending and taking minutes of the boards of directors of, and the meetings of the shareholders and noteholders of, the SPV;
- g. Preparing and filing companies forms and returns and other documents with the Registrar of Companies;
- h. Dealing with annual compliance formalities;
- i. Conducting correspondence with members and shareholders of the SPV;
- j. Undertaking all general legal and corporate administration on behalf of the SPV and liaising with their legal advisers as appropriate.

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