

# Terms of Reference for Legal Structure Work of the PPD Facility

Zoscales Partners would like to formally engage service providers to support on the legal structuring of the **Project Preparation & Development (PPD) Facility** under the Sustainable Noble Assets Platform (SNAP). SNAP operates a dual-pool blended-finance structure combining a commercial equity fund with a concessional, catalytic PPD arm. The PPD is now evolving to include **straight-equity capability**, **concessional capital layers**, and a more permanent vehicle design. These shifts require a clear and robust legal framework.

Below is the **Terms of Reference (TOR)** for the assignment.

## 1. Objective of the Engagement

To design the legal architecture for the SNAP PPD Facility, including:

- Structuring the PPD as either a **permanent vehicle company** or a **separate dedicated facility/SPV**, with comparative legal analysis.
- Integrating **concessional capital instruments** and defining protections, rights, and obligations for concessional investors.
- Incorporating the ability for the PPD to issue **early-stage equity investments** ("straight equity") alongside grants, recoverable grants, convertible notes, and TA.
- Ensuring full alignment and conflict-free interaction between the PPD and the main SNAP equity fund.

## 2. Key Workstreams

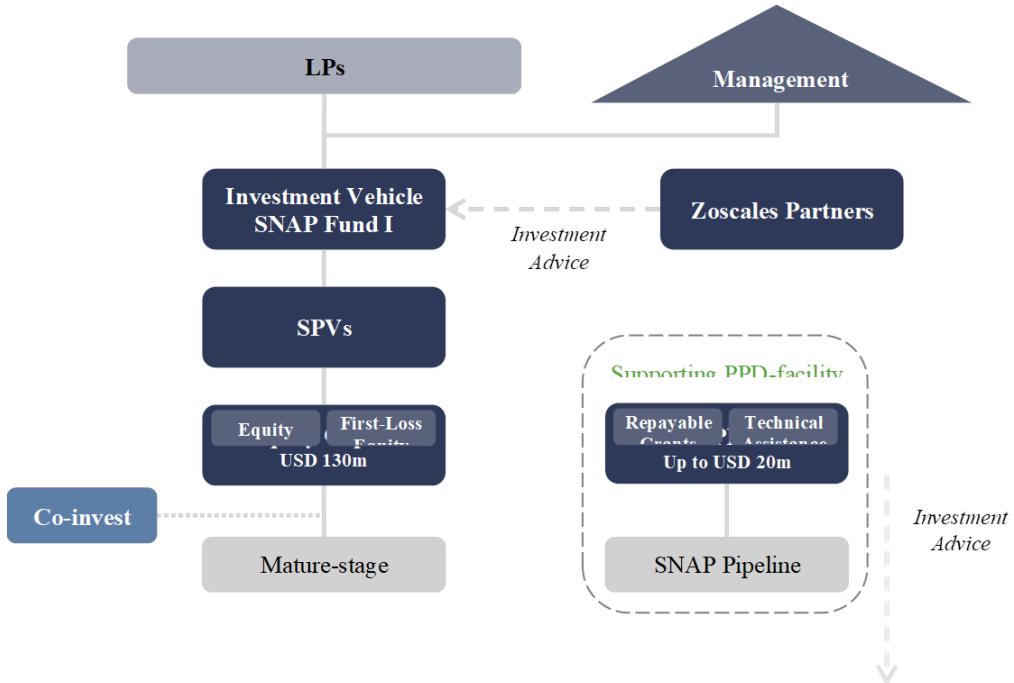
### A. Vehicle Design

- Assess suitable legal forms for:
  1. A **permanent PPD vehicle**;
  2. A **ring-fenced facility** within a broader structure;
  3. A **stand-alone SPV/fund**.
- Map implications for governance, tax neutrality, donor compliance, fund-manager responsibilities, and regulatory filings.

### B. Concessional Capital Architecture

- Define the legal structure for **first-loss capital, guarantees, soft-priced capital**, and other de-risking tools.

- Draft investor terms for parties contributing risk-cushioning capital, including downside protection, capped returns, and recycling rules.
- Ensure compatibility with donor-side requirements and blended-finance standards.



### C. Early-Stage Equity Investments

- Design the legal mechanism for **small equity tickets** from the PPD into early companies.
- Define conversion, exit, valuation, and governance provisions to avoid conflicts with later equity-fund entry.
- Provide protocols on pricing, fairness assessments, and related-party safeguards.

### D. Documentation Package

Prepare draft or final versions of the following:

- Facility/vehicle formation documents;;
- Concessional capital term sheets;
- Grant, recoverable grant, and convertible templates;
- Equity and follow-on conversion documentation;
- Conflicts-of-interest policy and cross-fund protocols;
- Reflow/recycling policy and investor reporting templates.

### 3. Deliverables

1. Written **legal structuring memo** with recommended approach.
2. Draft key terms for the **constitutional documents** for the chosen vehicle(s).
3. **template suite** for legal instruments used by the PPD.
4. **Investor-facing documentation**, incl. concessional capital terms and risk-mitigation architecture.
5. **Workshop(s)** with our internal team to review and refine the structure.

#### **4. Timeline**

Please submit your proposal by 2<sup>nd</sup> March 2026.