



June 12, 2015

Via Email

U.S. Department of State
2201 C Street, NW
Washington, DC 20037
BurmaPublicReport@state.gov

Re: Report on Responsible Investment in Myanmar

To Whom It May Concern:

TPG Holdings I, L.P. (“TPG Holdings”), on behalf of TPG Growth II, L.P. (“TPG Growth”) and TPG Asia VI, L.P. (“TPG Asia”), hereby submits the enclosed Report on Responsible Investment in Myanmar (the “Report”), pursuant to the U.S. Department of the Treasury’s Office of Foreign Assets Control General License No. 17, and the U.S. Department of State’s “Reporting Requirements on Responsible Investment in Burma” issued on May 23, 2013. TPG Growth, together with Tillman Global Holdings, LLC (“Tillman”), holds an equity stake in Apollo Towers, Myanmar Ltd. (“Apollo Towers”), a company organized in Myanmar that is engaged in the construction and operation of telecommunications towers in Myanmar. Additionally, TPG Asia, together with Northstar Pacific Partners, has formed a company in Myanmar called Pacific Star Finance Limited (“Pacific Star”) that is engaged in a micro-financing business within Myanmar. These activities may represent “new investment” in Myanmar as defined by 31 C.F.R. §537.311, and the aggregate investment exceeds \$500,000.

The enclosed Report covers the period from July 21, 2014 through May 31, 2015.

The construction and operation of telecommunications towers in Myanmar by Apollo Towers and the micro-financing activities of Pacific Star in Myanmar are performed in accordance with the U.S. Department of Treasury, Office of Foreign Assets Control Burmese Sanctions Regulation General License No. 17, where required.

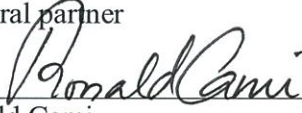


If you have any questions regarding this report, please contact Vanessa Chien, General Counsel Asia Pacific, TPG Capital, Limited, at +852 3515 8882 or vchien@tpg.com.

Sincerely,

TPG HOLDINGS I, L.P.

By: TPG Holdings I-A, LLC,
its general partner

By: 

Name: Ronald Cami

Title: Vice President

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1. Name


TPG Holdings I, L.P. (“TPG Holdings” or the “Submitter”), on behalf of TPG Growth II, L.P. (“TPG Growth”) and TPG Asia VI, L.P. (“TPG Asia”).

2. Acknowledgement

The Submitter understands that this report will be made public.

TPG HOLDINGS I, L.P.

By: TPG Holdings I-A, LLC,
its general partner

By: 
Name: Ronald Cami
Title: Vice President

3. Point of Contact

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General Counsel Asia Pacific
TPG Capital, Limited
57th Floor, 2 International Finance Centre
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+852 3515 8882
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4. Overview of Operations in Burma

a. Name(s) of companies, including all subsidiaries, operating in Burma covered by this report.

- (i) TPG Growth has invested in Myanmar by investing in Apollo Towers Myanmar Ltd. (“Apollo Towers”), which is a company organized under the laws of Myanmar. Apollo Towers is jointly owned by TPG Growth and Tillman Global Holdings, LLC (“Tillman”).
- (ii) TPG Asia has invested in Myanmar by investing in Pacific Star Finance Limited (“Pacific Star”), a company organized under the laws of Myanmar and jointly owned by TPG Asia and Northstar Pacific Partners.

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b. Nature of business in Burma.

(i) Apollo Towers

Apollo Towers is engaged in the construction and operation of telecommunications towers in Myanmar. Apollo Towers' mission is to modernize the telecommunications infrastructure of Myanmar in conjunction with all licensed telecommunication operators in Myanmar to enable residents of Myanmar to benefit from low-cost, high-quality, reliable cellphone coverage and other advanced telecommunication services.

To modernize infrastructure in Myanmar, Apollo Towers is constructing and operating telecommunications towers throughout the country. It has completed construction on its first order of 1,000 telecommunication towers and will continue to build and operate telecommunications towers throughout the country, hosting telecommunications equipment, including the provision, operations and maintenance of power solutions, available to all licensed in-country operators. Working in cooperation with both national and local regulatory bodies (e.g., the Yangon City Development Committee, Mandalay City Development Committee, Naypyitaw City Development Committee, Myanmar Investment Commission, Myanmar ICT for Development Organization, and various ministries), Apollo Towers is nearing completion of its Phase I of deployment and is now breaking ground on Phase II. Apollo Towers' initial anchor tenant is Telenor Myanmar Limited ("Telenor"), a Norwegian state-backed telecommunications operator that is part of the Norwegian Telenor Group, with prospective co-locations from telecommunication operators Ooredoo and KDDI Summit Global Singapore (to facilitate the mobile operation service of Myanmar Posts and Telecommunications).

Apollo Towers is proud to be a leading independent tower company in Myanmar, with more towers on air than its competitors.

(ii) Pacific Star

Pacific Star was granted a temporary license on May 12, 2014 under the provisions of the Myanmar Micro-Financing Enterprise Law of 30 November, 2011. Primary activities permitted under the temporary license include:

- extending micro-credit, primarily to low-to-middle class business owners, small family businesses, and entrepreneurs resident in Myanmar ("members"); and
- accepting deposits from members.

In due course, the Myanmar Micro-Financing Enterprise Law allows for the provision of the following related financial services:

- accepting deposits from others, particularly those from a low-to-middle class customer base;

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- remittance of money primarily within the country allowing customers to wire money to family, friends, and business associates in a secure manner; and
- offering certain micro-insurance products and services targeted to this customer segment including, but not limited to, pension plans, financial planning, and consultancy services.

Pacific Star began lending on a trial basis in November 2014 in the township of North Okkalapa, north of Yangon. As of the end of the reporting period, Pacific Star had a trial membership list of over 180 borrowers, all of whom are female, home-based entrepreneurs (e.g., street-food vendors, tea stall operators, and makers of shoes and slippers).

c. Location(s) of operation in Burma.

(i) Apollo Towers

Apollo Towers’ offices in Myanmar are located at:

Yangon (Head Office)	3rd Floor Co-operative Business Centre Corner of Sayarsan Road & New University Avenue Bahan Township, Yangon, Myanmar
Mandalay	Room No. D (508) Shwe Phyu Plaza Between 77th & 78th, between 32nd & 33rd Street Chan Aye Thar Zan Township Mandalay, Myanmar
Naypyitaw	No. 464 Ngu War Street Tha Pyay Gone Quarter Naypyitaw, Myanmar

Apollo Towers leases land access under long-term agreements with Myanmar citizens and various government bodies for the construction of towers across Myanmar. Phase I saw towers erected in 10 of the 15 states of Myanmar (Yangon, Mandalay, Naypyitaw, Bago, Ayeyarwady, Magway, Sagaing, Mon, Kayin, and Shan). Phase II will include these states as well as the remaining five states (Kayah, Kachin, Tanintharyi, Chin, and Rakhine).

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(ii) Pacific Star

Pacific Star’s offices in Myanmar are located at:

Yangon (Head Office)	34 Inya Myaing Road Shwe Taung Gyar Ward (1) Bahan Township, Yangon, Myanmar
North Okkalapa (Branch Office)	Third Floor, No. 584 Yuzana Road Ward (2) North Okkalapa Township, Yangon Region, Myanmar

d. Approximate maximum number of employees in Burma during the reporting period (broken down by Burmese and non-Burmese employees).

(i) Apollo Towers

Apollo Towers employs approximately 143 employees in Myanmar, of whom 75 are nationals of Myanmar. Apollo Towers began staffing primarily with expatriates, including some U.S. citizens, and has now transitioned to employ local staff wherever possible.

(ii) Pacific Star

During the reporting period, Pacific Star employed a maximum of three employees in Myanmar, all of whom are nationals of Myanmar. Any additional hires in the near future are expected to be nationals of Myanmar.

5. Human Rights, Worker Rights, Anti-Corruption, and Environmental Policies and Procedures: Provide a concise summary or copies of the following policies and procedures as they relate to the submitter’s operations and supply chain in Burma.

a. Due diligence policies and procedures (including those related to risk and impact assessments) that address operational impacts on human rights, worker rights, and/or the environment in Burma.

All TPG affiliates, including Apollo Towers and Pacific Star, are subject to the Sustainability and Environmental, Social and Governance (“ESG”) Program of the TPG family of funds (“TPG”), which supports TPG’s long-standing consideration of environmental, health, and safety practices in its due diligence and operations. Pursuant to the ESG Program, Apollo Towers and Pacific Star consider, as required, the sustainability and environmental impacts of their operations and assess those impacts on an annual basis. The results of practices implemented by TPG portfolio companies to address operational impacts on sustainability and the environment are regularly measured.

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In addition to the ESG Program, Apollo Towers is currently in the process of designing and implementing a comprehensive Environmental and Social Management System (“ESMS”) in accordance with the International Finance Corporation’s 2012 Performance Standards. This management system will be designed to minimize stakeholder grievances as well as ensure an effective and comprehensive response if and when any grievances occur. Two separate grievance mechanisms will be included in the ESMS: one aimed at addressing any external stakeholder and community grievance hearings, the other to addressing the hearing of grievances from employees and subcontracted workers. These mechanisms will include (i) reasonable timelines for response to any potential grievance, (ii) clear channels for escalation within the project, (iii) avenues for appeal if a response is not satisfactory, (iv) dedicated resources, and (v) appropriate tracking and reporting procedures. For the Worker Grievance Mechanism, the policies below shall be followed to ensure its correct and fair implementation:

- *Information:* All workers shall be informed about the grievance mechanism at time of hiring, and details about how it operates should be easily available and, for example, included in worker documentation or on notice boards.
- *Transparency:* Workers shall be provided information regarding whom they can turn to in the event of a grievance and the support and sources of advice that are available to them. All line and senior managers must be familiar with their organization's grievance procedure.
- *Accuracy:* The process shall be regularly reviewed and kept up to date, for example, by referencing any new statutory guidelines, changes in contracts or representation.
- *Confidentiality:* The process shall ensure that a complaint is dealt with confidentially. While procedures may specify that complaints should first be made to the workers’ line manager, there should also be the option of raising a grievance with an alternative manager, for example, a human resource (personnel) manager.
- *Non-retribution:* Procedures shall guarantee that any worker raising a complaint will not be subject to any reprisal.
- *Reasonable timescales:* Procedures should allow for time to investigate grievances fully, but should aim for swift resolutions. Time limits should be set for each stage of the process, for example, a maximum time between a grievance being raised and the setting up of a meeting to investigate it.
- *Right of appeal:* A worker should have the right to appeal to a higher level of management if he or she is not happy with the initial finding.
- *Right to be accompanied:* In any meetings or hearings, the worker should have the right to be accompanied by a colleague, friend or representative.
- *Monitoring:* Written records shall be kept at all stages. The initial complaint should be in writing if possible, along with the response, notes of any meetings and the findings and the reasons for the findings.
- *Regulation:* Workplace processes shall be compliant with Myanmar law.

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Apollo Towers is also developing a procedure to identify and implement alternative channels for hearing grievances from those who are illiterate and/or unable to use a phone or other remote forms of communication.

The ESMS will be developed so as to integrate smoothly with any and all of Apollo Towers' existing policies and processes, such as health and safety procedures, social and cultural policies, site acquisition processes, and site inspection processes.

b. Policies and Procedures that address anti-corruption in Burma.

(i) Apollo Towers

Apollo Towers maintains comprehensive anti-corruption policies and procedures that are set out in its Policy on International Business Conduct (the "PIBC"), which is designed to ensure full compliance with the FCPA and the U.K. Bribery Act and states Apollo Towers' zero tolerance for any business practice in violation of the PIBC. The PIBC expressly prohibits any violation of Myanmar law and any corruption or bribery, including both public and commercial bribery and indirect bribes made through third parties. Under the PIBC, Apollo Towers must maintain books, records, and accounts that detail and accurately reflect all transactions of the company, and any charitable or political contributions must be approved by the company. The PIBC also includes requirements for employee compliance training and discusses mechanisms for reporting violations. Every employee, contractor, business partner, and consultant of Apollo Towers is subject to the PIBC and is required to sign a statement of compliance.

(ii) Pacific Star

During the reporting period, Pacific Star's trial operations are entirely focused on grass-roots micro-entrepreneurs, and other than monthly financial reporting and a quarterly review by the Ministry of Finance, no further government approvals are required for Pacific Star's operations. As a result, Pacific Star currently has a low risk of encountering anti-corruption issues. Pacific Star intends to adopt additional anti-corruption measures should its operations become more meaningful in scale and no longer be conducted on a trial basis.

c. Policies and procedures that address community and stakeholder engagement in Burma.

See 5.a. and 5.b. above.

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d. Policies and procedures that address hearing grievances from employee and local communities, including whether grievance processes provide access to remedies, and how employees and local communities in Burma are made aware of said processes.

(i) Apollo Towers

The Apollo Towers Employee Policy described in 5.a. and 5.b. above details all such policies and procedures.

(ii) Pacific Star

Not applicable.

e. Global corporate social responsibility policies, including those that address human rights, sustainability, worker rights, anti-corruption and/or the environment.

Apollo Towers and Pacific Star, as portfolio companies of TPG, are subject to TPG's ESG Program, which requires consideration of environmental, health and safety practices in their due diligence, investment decisions, and operations. The broad set of sustainability issues covered by the ESG Program, which include social and governance issues, have material influence on TPG's assessments of risk, valuation, profitability, and opportunity across its portfolio. As part of the ESG Program, TPG incorporates sustainability and ESG considerations into its due diligence process and when making investment decisions. In addition, TPG portfolio companies engage in annual sustainability/ESG performance self-assessment and goal setting, and the results of sustainability practices implemented by TPG and its portfolio companies are regularly assessed.

f. Whether and the extent to which the policies and procedures described in Question 5.a through 5.d are applied to, required of, or otherwise communicated to related entities in Burma, including but not limited to subsidiaries, subcontractors and other business partners.

(i) Apollo Towers

The policies and procedures of TPG described in Question 5 apply to companies controlled by TPG, including Apollo Towers. The anti-corruption policies and procedures of Apollo Towers described in Question 5.b apply to every employee, contractor, business partner, and consultant of Apollo Towers. These policies and procedures are clearly communicated to Apollo Towers' local business partners, and regular training is provided to all employees.

(ii) Pacific Star

The policies and procedures of TPG described in Question 5 apply to all companies controlled by TPG, including Pacific Star.

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6. Arrangement with Security Service Providers: Provide the below information regarding any arrangements the submitter has with security service providers.

a. Name(s) of security service provider(s).

(i) Apollo Towers

TPG and Apollo Towers have not identified a need for private security protection for employees of Apollo Towers. However, tower sites have and will continue to be secured by fences, electronic padlocks, and real-time access control systems. For a small number of vulnerable tower sites where passive security measures have yet to be installed, Apollo Towers has retained security providers to patrol the area, mainly to prevent fuel theft from diesel-run generators. These security providers do not carry any form of arms. For the patrol of certain vulnerable sites, Apollo Towers employs IDG Myanmar Co Ltd:

IDG Myanmar Co Ltd.
House L21, FMI City, Hlaing Thar Yar Township
Yangon, Myanmar 11401
Telephone: +95 (0) 1687290
Website: www.idg-security.com

Moving into the second construction phase, which will take place to a greater extent in conflict-affected regions, Apollo Towers is consulting local experts in developing a security management plan, incorporating an assessment of project security risks in alignment with the International Finance Corporation's Performance Standard 4 and the Voluntary Principles on Security and Human Rights. Apollo Towers recognizes, in particular, the importance of communication and engagement with local groups prior to entering any region, in order to prevent conflict and ensure that all parties and stakeholders understand and are not adversely affected by activities to be undertaken.

(ii) Pacific Star

Not applicable.

b. Duties and responsibilities of security service provider(s).

(i) Apollo Towers

IDG is required to maintain an on-site presence and/or monitoring of certain vulnerable sites to ensure no unauthorized parties enter or interfere with the tower sites.

(ii) Pacific Star

Not applicable.

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c. Whether security service providers are signatories to the International Code of Conduct for Private Security Service Providers and/or whether they have been certified to any private security provider national or international standards.

(i) Apollo Towers

IDG is an international security provider but is not a signatory to the International Code of Conduct for Private Security Service Providers. It holds all required licenses but Apollo Towers is not aware of other certifications.

(ii) Pacific Star

Not applicable.

d. A concise summary of due diligence policies or practices for engaging and utilizing security services providers including those focused on human rights and anti-corruption, e.g., oversight policies and procedures and whether security service providers are subject to third-party auditing.

(i) Apollo Towers

Apollo Towers conducted a thorough review of potential providers of security services before retaining IDG and monitors its performance and policies on a regular basis.

(ii) Pacific Star

Not applicable.

7. Property Acquisition: For any purchase, use or lease of land or other real property, or rights related thereto, by the submitter (including the submitter's subsidiaries) either (a) valued over \$500,000 or (b) larger than 30 acres of land or other real property, provide the information described below. For the purpose of this section, purchase, use, or lease of adjacent or otherwise related land or other real property shall be treated as a single transaction and must be reported where the cumulative value of the related transactions exceeds \$500,000 or is over 30 acres.

a. A concise summary of any policies or procedures used to ascertain land or other real property ownership, use rights, dislocation, resettlement, or other claims and an explanation of how those policies were implemented for each land purchase, use, or lease transaction.

(i) Apollo Towers

Apollo Towers leases the land plots for greenfield telecommunications towers, as well as the right to erect towers on rooftop sites. Currently, Apollo Towers has already leased approximately 1,200 sites across Myanmar and is expecting to lease another 500 sites in 2015. In addition, Apollo Towers leases offices and a number of dwellings for expatriate

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employees. The individual value of each transaction does not exceed the \$500,000 threshold, and no plot exceeds 30 acres.

Apollo Towers has developed comprehensive procedures to monitor and control the evaluation, selection, payment and legal due diligence of all facets of the site acquisition process:

1. Site Selection

The site selection process used by Apollo Towers is based on the following priorities:

- To develop on land that does not conflict or interfere with historical, archaeological or cultural qualities;
- To develop on land that does not require the involuntary economic or physical displacement and/or resettlement of people;
- To develop on land that is not located in, or in the immediate vicinity of, an environmentally or culturally sensitive area;
- To ensure that all sites selected comply with Telenor's (Apollo Towers' anchor tenant) Business Sustainability Objectives.

In order to minimize the potential social, historical, cultural and environmental impacts caused during later stages of site development, the following issues shall be considered initially during the site reconnaissance visits and later while comparing the optional locations:

- Current, historical and cultural use of the property;
- Potential visual impact;
- Existence of informal settlers residing or deriving benefit from that site;
- Location of existing structures;
- Available utilities that may interfere with the site;
- Stability of site to erosion;
- Evidence of wildlife;
- Description of vegetation;
- Proximity to ecologically sensitive areas;
- Required leveling or site modifications;
- Location of sensitive land uses such as residential, schools, hospitals and other community facilities;
- Site access and security issues.

Apollo Towers require the acquiring agent (whether an Apollo Towers employee or subcontractor) to fill out a Site Acquisition Report ("SAR") providing full details of the site and its owner for review by Apollo Towers' site acquisition team.

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The SAR shall include at the minimum the following observations:

- a. The site photographs, panoramic picture;
- b. Site sketches (rooftop plan /greenfield layouts);
- c. The location map to site;
- d. Owner willingness (signed LOI for the purpose);
- e. Ownership document details;
- f. Site coordinates and distance from nominal coordinates;
- g. Power grid information;
- h. Right of way.

As part of the SAR it is furthermore required that the acquiring agent goes to all reasonable lengths to investigate the stated owner's legitimate ownership of the land as well as checking whether that individual has any relation or affiliation to a person or entity included on the OFAC SDN list.

2. Lease Negotiation

All land leases are voluntarily negotiated on commercial terms with the landowners. In the unlikely event that any issue should arise during or after lease negotiation, Apollo Towers and its subcontractors seek to meet with the owner in person in order to discuss any misunderstandings or grievances, and find suitable solutions. Such meetings are attended by a person who speaks the local language and, if required, local counsel or an affiliate of the local authority.

3. Site Monitoring

Site inspectors regularly inspect all sites. At least one inspection is carried out before, during and after construction. On average, each of the existing sites has been inspected four times. Site inspectors are required to fill out a checklist, ensuring on-site HSE compliance, such as the proper use of personal protective equipment and proper refueling procedures for backup generators.

In monitoring efforts, Apollo Towers conducts random owner-checks against the OFAC SDN list, as well as further investigation where there is reasonable doubt with regards to the owner's legitimacy. Furthermore, Apollo Towers is committed to ensure that it has sufficient organizational capacity to manage and monitor the project's environmental and social performance.

- (ii) Pacific Star
Not applicable.

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- b. The city/state or province where the land or other real property was purchased, used, or leased.**
- (i) Apollo Towers
Apollo Towers has leased sites in 10 of the 15 states in Myanmar and expects to have leased sites in all 15 states by the end of 2015.
 - (ii) Pacific Star
Not applicable.
- c. A concise summary of any policies or procedures, including grievance mechanisms, related to the dislocation or resettlement of people with respect to land or other real property and an explanation of how those policies were implemented for each land purchase, use, or lease transaction.**
- (i) Apollo Towers
Because the size of the plot required for the erection of a greenfield tower is relatively small, and the flexibility of site coordinates relatively high, Apollo Towers can avoid plots of land that would require involuntary resettlement. To the best of Apollo Towers' knowledge, to date no involuntary resettlement has taken place.
 - (ii) Pacific Star
Not applicable.
- d. Any financial/material arrangements made to compensate previous users/residents of such land or other real property (other than to the lessor/owner) of which the submitter is aware.**
- Not applicable.
- e. Any information of which the submitter is aware related to any involuntary resettlement or dislocation of people on land that meets the criteria as specified in question 7.**
- (i) Apollo Towers
None.
 - (ii) Pacific Star
Not applicable.

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8. Transparency: Report total payments made by submitter or on its behalf valued over \$10,000 during the reporting year to each Government of Burma entity and/or any sub-national or administrative governmental entity or non-state group that possesses or claims to possess governmental authority over the submitter’s new investment activities in Burma.

(i) Apollo Towers

During the reporting period, Apollo Towers paid a license fee of 12.5 million Myanmar Kyat (approximately USD 12,500) to the Posts and Telecommunications Department (PTD) for its Network Facility Service Class (“NFS C”) License. The license, which was approved and granted on February 3, 2015, grants Apollo Towers the right to construct, deploy, and maintain passive telecommunications network infrastructure and to lease such infrastructure to an NFS (I) licensee. The license will remain in effect until the end of 15 years from the date of approval.

In addition, although Apollo Towers is exempt from certain corporate taxes as a registered and Myanmar Investment Commission-permitted foreign company, it is required to pay the following taxes (which are timely paid to the extent such taxes are due):

- Import/customs duties, if Apollo Towers imports under general trade rather than under its Myanmar Investment Commission license;
- Commercial tax on all sales, as applicable;
- Domestic and international withholding taxes; and
- Payment of employee income tax.

(ii) Pacific Star

During the reporting period, neither TPG Asia nor Pacific Star made any payment, nor to their knowledge has any payment been made on their behalf, valued over \$10,000 to any government entity in Myanmar, including any sub-national or administrative government entity or non-state entity with governmental authority over the investment activities.