

## HICL Board – Terms of Reference

### HICL INFRASTRUCTURE PLC (the “Company”)

#### The Board

<b>MEMBERS:</b>	I Russell	(Chairman)
	F Nelson	(SID)
	S Farnon	
	S Holden	
	K D Reid	
	M Bane	

<b>IN ATTENDANCE:</b>	The Company Secretary
	The Investment Manager

<b>QUORUM:</b>	The quorum necessary for the transaction of the business of the Board is as set out in the Company’s Articles.
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#### MEETINGS AND

<b>DECISIONS:</b>	The Board shall determine the notice necessary for its meetings and the persons to whom such notice shall be given.
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All Board Meetings to discuss substantive issues relating to the management of the Company and its investments should be held in the UK. Board meetings of the Company must not take place in Luxembourg. At least one Board Meeting should be held each year at which preferably all Directors should be physically present. The decisions concerning the Company should be clearly minuted. Every effort should be made to ensure that all members are present when major decisions are made and the Board should be supplied with sufficient information on which to make decisions.

A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting.

<b>PURPOSE:</b>	Exercising overall responsibility for the conduct of the Company’s business as an English public limited company and an investment trust company listed on the London Stock Exchange, making infrastructure investments through a
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series of entities, presently comprising wholly owned Luxembourg SOPARFIs (“Luxcos”) and an English Limited Partnership (“ELP”) and in particular:

To collectively be responsible for maximizing the Company’s success by directing and supervising the affairs of the business and meeting the appropriate interests of the shareholders and relevant stakeholders, while also ensuring the protection of shareholders.

The major duties and Reserved Powers of the Company’s Board cover the Director’s statutory obligations as well as strategic, financial and personnel matters and focus strongly on the delegation, supervision, reporting, monitoring and control responsibilities of the Board. As such, the key responsibilities are to exercise central management and control by directing the Company in accordance with agreed investment objectives and to apply generally accepted standards of best practice and principles of good governance, in the interests of the protection of shareholders and stakeholders.

## **1. Statutory Obligations**

### 1.1 Review and approval of:

- dividends, if any;
- the annual report and accounts;
- circulars to shareholders, including those convening general meetings;
- listing particulars;
- prospectus and constitutional documents;
- interim dividends and reports, if any; and
- returns to local and overseas regulators and stock exchanges.

### 1.2 Recommending to Shareholders:

- changes to the Articles of Incorporation; and
- proposals relating to the appointment of auditors and approval of the audit fee.

### 1.3 Compliance with:

- Listing Rules and continuing obligations;
- FATCA; and
- AIFMD.

### 1.4 Exercise of accountability to shareholders and responsibility to relevant stakeholders, to include monitoring marketing activities and investor relations.

## **2. Risk Management**

### 2.1 Review and approval of:

- Risk Appetite Statement;
- Tax Risk Appetite;
- Policies and Controls Manuals; and
- Delegated authorities given to service providers.

### 2.2 Ensure:

- Company maintains high standards of control and risk aware culture to safeguard assets; and
- Current and potential risks are identified and managed as far as possible.

## **3. Strategic and Financial Matters**

### 3.1 Consideration of:

- the Company's mandate and objectives;
- future strategy and investment policy;
- annual business plans and budgets;
- the Company's progress against plans; and
- the Company's borrowing arrangement.

### 3.2 Approval of:

- treasury, risk management, counterparty, tax and capital policies and limits, including (but not limited to) funding, loan capital and issue of ordinary shares;
- capital expenditure, mergers, acquisitions, joint ventures and disposals, in excess of any discretionary powers delegated to a service provider;
- increases/reductions to capital and changes to capital structure; and
- significant changes in accounting policy.

### 3.3 Ensure:

- proper books of accounts are maintained;
- sufficient and appropriate financial information and reports are provided to the Board; and
- appropriate and effective guidance and supervision is given to the respective service suppliers.

#### **4. Personnel Matters**

##### 4.1 Approval of:

- the appointment and removal of Directors and the company secretary;
- in respect of the appointment of Directors (all non-executive), each shall be subject to election by shareholders at the first annual general meeting after their appointment, and to re-election thereafter at intervals of no more than three years in accordance with the Company's Articles of Incorporation (as amended from time to time); the UK Corporate Governance Code B.7 recommends annual re-election for all Directors – which has been adopted by the Board; and
- the arrangement of liability insurance for Directors and officers.

##### 4.2 Appointment and Review of:

- service suppliers, such as Investment Advisers and Administrators; and
- auditors, secretary, lawyers and other professional consultants.

##### 4.3 Ensure the company organisation structure and resource capabilities are at all times appropriate for the business.

#### **5. Committees of the Board**

Establishment of, terms of reference for, and reporting arrangements for all sub committees acting on behalf of the authority of the Board.

#### **6. Reporting, Monitoring and Control Responsibilities**

##### 6.1 Determine and ensure:

- appropriate internal control procedures and monitoring criteria and evaluate their on-going effectiveness; and
- a satisfactory compliance regime exists and that all relevant local and international laws, procedures, guidance notes and controls to combat money laundering, terrorist financing and other criminal activities are upheld.

##### 6.2 Obtain and review:

- comprehensive and timely information, sufficient to enable the Board to fulfil their responsibilities and monitor and control operations and performance;
- regular investment, compliance and marketing reports, to include but not be limited to; Investment Manager Reports, Portfolio Valuations,

Register of Holders and Compliance and Corporate Governance Reports;

- investment performance against plans, NAV and share price relationships and calculations adherence to investment policy and restrictions, exercise of discretionary waivers, control of expenses and comparison of total expense ratios to peer groups;
- Minutes of Board Meetings, within ten working days following each meeting; and
- all Board Papers, sent seven days prior to each meeting.

#### 6.3 Review:

- all internal and external audit and compliance reports and associated regulatory reviews; and
- all policies and limits for risk related operations, at least annually.

### 7. Other Matters

#### 7.1 Approval of:

- any matter which would have a material effect on the Company's financial position, liabilities, future strategy or reputation; and
- significant contracts and service agreements and all those not in the ordinary course of the company's business.

7.2 Review and approve the use of the Company's Common Seal in accordance with the Articles of Incorporation.

#### 7.3 Review at least annually:

- The composition and effectiveness of the Board; and
- The Board's approach to corporate governance.

### 8. Other

Monitoring the Company's group structure as a whole, through reports received via the Luxcos and the Investment Manager to the Company, InfraRed Capital Partners Limited ("IRCP").

Consulting with the Luxcos and the Investment Manager on withdrawals of capital from the ELP as necessary to fund, inter alia, repurchases of shares.

Consenting to changes to the Luxcos or the ELP requested by the Investment Manager.

**FREQUENCY**

**OF MEETINGS:** Ad hoc and at least four a year.

Updated: March 2019