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If you have sold or otherwise transferred all of your holding of ordinary shares ("**Ordinary Shares**") in HICL Infrastructure Company Limited (the "**Company**"), please send this document, together with the accompanying form of proxy (the "**Form of Proxy**"), as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold any part of your holding of Ordinary Shares in the Company, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

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**HICL INFRASTRUCTURE COMPANY LIMITED**

*(an authorised closed-ended investment company incorporated in Guernsey with limited liability and with registered number 44185)*

**Circular to Shareholders**

**-and-**

**Notice of Extraordinary General Meeting**

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## HICL INFRASTRUCTURE COMPANY LIMITED

(an authorised closed-ended investment company incorporated in Guernsey with limited liability and with registered number 44185)

### *Directors*

Graham Picken (Chairman)  
Sarah Evans  
Susie Farnon  
John Hallam  
Frank Nelson  
Chris Russell  
Ian Russell

### *Registered office*

1 Le Truchot  
St Peter Port  
Guernsey GY1 1WD

17 July 2015

To holders of Ordinary Shares in the Company ("**Shareholders**")

Dear Shareholder,

## **CIRCULAR TO SHAREHOLDERS AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

### **Introduction**

As a matter of good corporate governance, the Board is seeking the approval of Shareholders for the proposed acquisition (the "**Acquisition**") of an interest in the Royal Canadian Mounted Police 'E' Division Headquarters P3 Project ("**RCMP**") in Surrey, British Columbia, Canada (the "**Project**") from the InfraRed Infrastructure Fund III, a fund managed by InfraRed Capital Partners Limited (the "**Investment Adviser**"), the Company's investment adviser.

Consequently, the Board is convening an extraordinary general meeting (the "**EGM**") at 4.30 p.m. on Wednesday 12 August 2015, in order to put an ordinary resolution approving the Acquisition to Shareholders (the "**Resolution**"). The purpose of this Circular is to explain to Shareholders the background to, and reasons for, the Acquisition. Notice of the EGM and the Form of Proxy are set out at the end of this Circular.

### **The Acquisition**

#### ***Introduction***

The Company continues to seek new investments which will allow for the development and diversification of its portfolio and has identified the Project as being a suitable addition to the Company's portfolio. It is proposed that the Company will purchase a 99.9 per cent. equity interest in the Project for consideration of approximately CAD53 million.

The Company has agreed the commercial terms of the Acquisition, has completed due diligence and has signed a sale and purchase agreement with the seller, conditional on, amongst other matters, passing of the Resolution to be put to the EGM. Subject to the approval of the Resolution at the EGM and the satisfaction of certain other completion conditions, it is anticipated that the Acquisition will be completed by September 2015. Assuming successful completion, the Investment Adviser intends to manage the Canadian Dollar foreign exchange risk associated with the Project in accordance with the Group's hedging policy.

The Project is currently part of a portfolio of investments held by the InfraRed Infrastructure Fund III, a fund managed by the Company's Investment Adviser. While the Acquisition would not constitute a related party transaction for the purposes of the Financial Conduct Authority's Listing Rules, the Board has concluded that this connection to the Investment Adviser makes it appropriate, in the interests of good corporate governance and in line with the procedures adopted for previous similar transactions, to seek the prior approval of Shareholders for the Acquisition at the EGM.

Further details of the Project and the "rules of engagement" that have been implemented to manage the potential conflicts of interest are set out below.

#### ***Information on the Project***

The Project was procured by Her Majesty the Queen in the Right of Canada (represented by the Minister of Public Works and Government Services), a ministry of the Canadian Federal government, and consisted of the design, construction, finance, and ongoing facilities management services and lifecycle refurbishment of a 72,000m<sup>2</sup> RCMP Headquarter office facility building. Financial close occurred in April 2010 and construction was successfully completed on time in December 2012.

Construction was undertaken by a construction joint venture between Bouygues Building Canada Inc and Bird Design-Build Limited and is now being operated and maintained by Bouygues Energies & Services. The total construction cost was approximately CAD234m. The Project is also being managed by Bouygues Energies & Services.

### ***Rules of Engagement***

Since the launch of the Company in 2006, it has been anticipated that some of the Company's investments will be investments that have been originated and developed by the Investment Adviser, and may be acquired from the Investment Adviser or any other funds managed by the Investment Adviser.

In order to manage conflicts of interest, detailed procedures have been established for transactions between the Company, the Investment Adviser and funds managed by the Investment Adviser. The Board has ensured that these procedures, which form part of the Company's stated investment policy, have been adopted in connection with the proposed Acquisition. In particular:

- The Investment Adviser has established a "buyside" committee and a "sellside" committee to consider the terms of the Acquisition and information barriers have been put in place between each committee.
- The "buyside" committee, which includes an independent non-executive Director of the Company, has conducted a rigorous independent due diligence process on the Project and the Board commissioned an independent third party to prepare a report on the fair market value for the Acquisition. This is the same party that gives the Directors of the Company an independent valuation validation every six months when the Directors publish their valuation of the Company's portfolio.

The Board has had the opportunity to ask questions of the "buyside" committee and to review the fair market value report prepared by the independent expert prior to the terms of the Acquisition being agreed, to ensure that it is satisfied that they have been negotiated on an arm's length basis. Furthermore, the Board is comfortable that the price negotiated for the Acquisition is in line with market pricing generally as well as comparable projects that the Investment Adviser has recently appraised on behalf of the Group.

### ***Risks relating to the Acquisition***

As the Acquisition falls within the ambit of the Company's Investment Policy, the types of risks attributable to the Project are consistent with the types of risks attributable to other projects in the Company's investment portfolio.

### ***Funding***

The Company intends to fund the Acquisition of the Project from its £150m revolving debt facility, in the same way that it has funded other investment acquisitions it has made. Similarly, as the Company has done previously, the Directors expect to repay the drawn revolving debt facility in due course by issuing further Ordinary Shares in the Company, by way of a tap issue, at a price above the then-current net asset value per Ordinary Share (in accordance with powers previously granted to the Directors, and anticipated to be renewed by Shareholders (resolution 13) at the Company's Annual General Meeting to be held at 4.00 p.m. on Tuesday 21 July 2015).

### ***Action to be taken***

Whether or not you propose to attend the EGM in person, you are requested either to complete the Form of Proxy (which accompanies this Circular) and return it to **Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF** in accordance with the instructions printed on it, or, if you hold your Ordinary Shares in CREST, to utilise the CREST electronic proxy appointment service in accordance with the procedures set out on the Form of Proxy. In each case, proxy votes should be returned as soon as possible, but in any event not later than **4.30 p.m. on Monday 10 August 2015**.

Completion and return of Forms of Proxy will not prevent you from attending and voting in person at the EGM should you wish to do so. All Shareholders are entitled to attend, speak and vote at the EGM and to appoint a proxy or corporate representative to exercise that right.

If you have a query concerning this document or the EGM, please telephone Capita Asset Services between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0871 664 0300 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per

minute from a BT landline (other network providers' costs may vary). Calls to this line from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot give any financial, legal or tax advice.

### **Recommendation**

The Board believes that the Acquisition of the Project is in the best interests of the Company and Shareholders as a whole and unanimously recommends that Shareholders vote in favour of the Resolution, as all of the Directors intend to do in respect of their own beneficial holdings of Ordinary Shares which amount in aggregate to 804,057 Ordinary Shares (representing approximately 0.06 per cent. of the existing issued ordinary share capital of the Company).

Yours faithfully,

A handwritten signature in cursive script, appearing to read 'Graham Picken'.

Graham Picken  
*Chairman*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### HICL INFRASTRUCTURE COMPANY LIMITED

*(an authorised closed-ended investment company incorporated in Guernsey with limited liability and with registered number 44185)*

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of HICL Infrastructure Company Limited (the "**Company**") will be held at 1, Le Truchot, St Peter Port, Guernsey GY1 1WD at 4.30 p.m. on Wednesday 12 August 2015. Defined terms in this notice will have the meaning given to them in the circular published on 17 July 2015 (the "**Circular**"). This Extraordinary General Meeting is being convened for the purpose of considering and, if thought fit, passing the following Resolution, which will be proposed as an ordinary resolution:

### ORDINARY RESOLUTION

That the proposed Acquisition by the Company (or a subsidiary of the Company) of a 99.9 per cent. equity interest in the RCMP Project from the InfraRed Infrastructure Fund III, on such terms as may be agreed by the Company and the InfraRed Infrastructure Fund III, subject to all other actions necessary to effect the Acquisition, be and is hereby approved.

By Order of the Board

17 July 2015

*Registered Office*

1, Le Truchot  
St Peter Port  
Guernsey GY1 1WD

#### NOTES:

1. A member of the Company who is entitled to attend, speak and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend, speak and on a poll or otherwise to vote in his or her place. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
2. Shareholders will have received, or will shortly receive, a form of proxy which should be completed in accordance with the instructions. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority) must be deposited with the Company's UK Transfer Agent - **Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not later than 4.30 p.m. on Monday 10 August 2015**. Completion of the form of proxy will not preclude a member from attending and voting in person. You may also submit your proxy electronically using the share portal service at [www.capitashareportal.com](http://www.capitashareportal.com). If not already registered for the Share Portal, you will require your investor code.
3. To change your proxy instructions simply submit a new proxy form using the methods set out above and in the notes to the proxy form. Note that the cut-off date and time for receipt of a proxy form (see above) do not apply in relation to amended instructions given to a proxy validly appointed prior to the relevant cut-off date. If you submit more than one valid proxy form, the form received last before the latest time for the receipt of proxies will take precedence.
4. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's UK Transfer Agent. In the case of a member which is an individual, the revocation notice must be under the hand of the appointor or of his attorney duly authorised in writing or, in the case of a member which is a company, the revocation notice must be executed under its common seal or under the hand of an officer of the company or an attorney duly authorised. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice.
5. The revocation notice must be received by the commencement of the Extraordinary General Meeting or any adjournment of that meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
6. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

#### ADDITIONAL NOTES:

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting, to be at 4.30 p.m. on Wednesday 12 August 2015, and any adjournment(s) thereof, by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (RA10) by the latest time for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.