

# Governance



On behalf of the Board, I am pleased to present the Company's Governance report for the financial year ended 31 March 2024.

The following pages of this report provide an insight into the activities of the Board and its Committees over the year, and how corporate governance underpins and supports our business and the decisions we make. Over the years, the Company has built a strong and robust governance structure which has proven to be invaluable during times of economic and political uncertainty.

The Board's focus throughout the year has been the continued pursuance and delivery of the Company's strategic objectives, whilst remaining responsive to macroeconomic headwinds.

I would like to thank my fellow Board members for their continued support, contribution and commitment.

**Richard Laing**  
Chair, 3i Infrastructure plc  
7 May 2024

“  
Strong governance is essential  
for the continued creation  
of value for our shareholders.”

**Richard Laing**  
Chair, 3i Infrastructure plc



## Compliance with the AIC Code

The Board has considered the principles and provisions of the AIC Code, which follows the principles and provisions set out in the UK Corporate Governance Code 2018 (the 'UK Code'), as they apply to investment trust companies. It considers that reporting against the AIC Code provides more appropriate information for the Company's shareholders.

The Board confirms that the Company has complied with the principles and provisions of the AIC Code (and the associated disclosures under the applicable provisions of paragraph 9.8.6 of the Listing Rules), insofar as they apply to the Company's business, throughout the year under review. Details of how the Company has complied with the relevant principles and provisions of the AIC Code are set out below.

## Board leadership and purpose

The Board is responsible for leading the business in a way which supports its purpose.

[Read more](#)  
Pages 79 to 92

## Division of responsibilities

We ensure that responsibilities of the Chair and non-executive Directors are clear and transparent in order to lead the Company effectively.

[Read more](#)  
Page 88

## Composition, succession and evaluation

We aim to have a balanced Board with the appropriate skills and experience to govern the business. We have an effective Board evaluation process and a succession plan monitored by the Nomination Committee.

[Read more](#)  
Pages 93 to 97

## Audit, Risk and Internal Control

The Audit and Risk Committee, supported by the Investment Manager and other advisers and service providers, identifies potential risks and how best to mitigate them.

[Read more](#)  
Pages 98 to 103

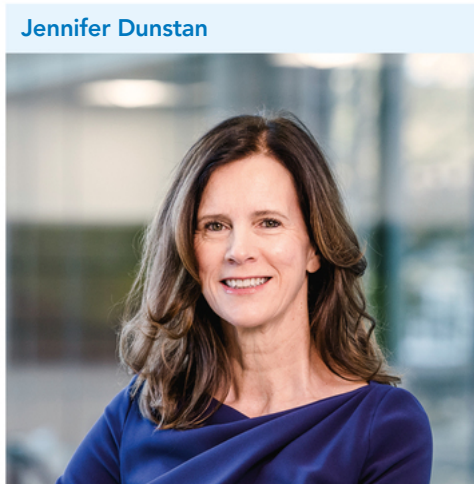
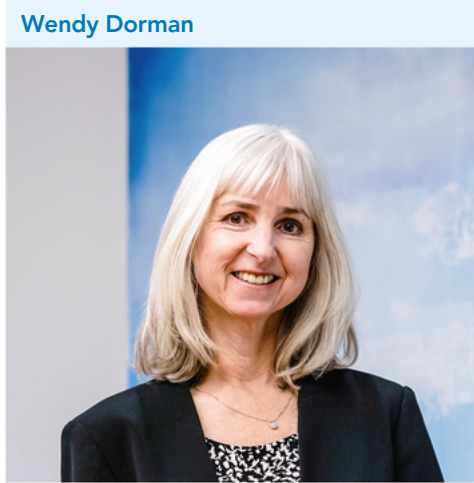
## Remuneration

The Remuneration Committee ensures a fair reward structure for the non-executive Directors.

[Read more](#)  
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# Board leadership and purpose

## Board of Directors



# Board leadership and purpose continued

## Board of Directors continued

### Chair

#### Richard Laing

Appointed January 2016. Chair of the Nomination, Disclosure, and Management Engagement Committees, and member of the Remuneration Committee. UK resident.

#### Skills and experience contributing to the Board

- As an experienced non-executive Director and senior executive, has broad strategic insights
- Long-standing experience of investing in international infrastructure
- Deep knowledge of investment companies
- As a previous CFO, understands complex financial and funding matters
- Fellow of the Institute of Chartered Accountants in England and Wales

#### Current roles

- Non-executive Director of Tritax Big Box REIT plc
- Trustee of Leeds Castle Retirement Benefit Scheme

#### Past roles

- Non-executive Director of JP Morgan Emerging Markets Investment Trust plc
- Trustee and Deputy Chair of Leeds Castle Foundation
- Non-executive Director and Chair of Perpetual Income and Growth Investment Trust plc
- Non-executive Director of Murray Income Trust plc
- Non-executive Director and Chair of Miro Forestry Company Limited
- Non-executive Director of London Metal Exchange
- 11 years at CDC Group plc with the last seven years as Chief Executive
- 15 years at De La Rue latterly as Group Finance Director
- Commercial roles in agribusiness and Marks & Spencer
- Chartered accountant at PricewaterhouseCoopers

### Senior Independent Director

#### Stephanie Hazell

Appointed September 2022. Chair of the Remuneration Committee, member of the Audit and Risk, Management Engagement, and Disclosure Committees. UK resident.

#### Skills and experience contributing to the Board

- Over 25 years of experience across energy, infrastructure and telecoms sectors
- Broad non-executive Director experience

#### Current roles

- Non-executive Director of Open Utility Limited (Piclo)
- Non-executive Director and Chair of Remuneration Committee of Renew Holdings plc
- Advisory Board Member for Shell New Energy

#### Past roles

- Non-executive Director of Neos Networks Limited
- Non-executive Director of North Sea Midstream Partners Limited (Jersey)
- Director, Strategy and Corporate Development, ExCo Member of National Grid
- Various senior positions at Virgin Management
- Various senior positions at Orange Group
- Principal Consultant, Telecoms and Media at PwC

### Independent non-executive Directors

#### Wendy Dorman

Appointed March 2015. Chair of the Audit and Risk Committee and member of the Management Engagement, Nomination, Remuneration, and Disclosure Committees. Jersey resident.

#### Skills and experience contributing to the Board

- Over 28 years of experience as a chartered accountant and tax adviser
- Particular expertise in the taxation of UK and offshore investment funds, including the tax aspects of fund structuring
- Extensive knowledge of risk mitigation, compliance and corporate governance

#### Current roles

- Non-executive Director and Chair of Audit & Risk Committee of Jersey Electricity plc
- Non-executive Director and Chair of Audit & Risk Committee of CQS New City High Yield Fund Limited

#### Past roles

- Head of PwC Channel Islands tax practice for seven years
- Non-executive Director of Jersey Finance Limited
- President of Jersey Society of Chartered and Certified Accountants
- Chair of Jersey Institute of Directors

#### Doug Bannister

Appointed January 2015. Member of the Audit and Risk, Management Engagement, Remuneration, and Disclosure Committees. UK resident.

#### Skills and experience contributing to the Board

- Over 30 years of experience in the international transportation and distribution sectors
- In-depth knowledge of leading asset-intense operational businesses
- Experienced senior executive with broad international experience
- Knowledge in turnaround, mergers and acquisition integration, restructuring and transformation of capital-intensive businesses

#### Current roles

- Chief Executive of Dover Harbour Board
- Deputy Chair of British Ports Association
- Chair of Visit Kent

#### Past roles

- Group CEO of Ports of Jersey (Airports & Harbours)
- Commercial roles at P&O Nedlloyd and Maersk Line

# Board leadership and purpose continued

## Board of Directors continued

### Independent non-executive Directors

#### Samantha Hoe-Richardson

Appointed February 2020. Member of the Audit and Risk, Management Engagement, Remuneration, and Disclosure Committees. UK resident.

#### Skills and experience contributing to the Board

- Senior executive with 18 years of experience in global mining and infrastructure
- In-depth understanding of environmental and sustainability issues
- Broad based non-executive Director experience
- Chartered accountant

#### Current roles

- Non-executive Director of Assured Guaranty UK Ltd
- Independent Group Adviser on Climate Change & Sustainability to Laing O'Rourke
- Non-executive Director of WE Soda Ltd
- Non-executive Director of Cornish Metals Inc

#### Past roles

- Non-executive Director and Chair of the Audit Committees at Lancashire Holdings Limited and Lancashire Insurance UK Limited
- Non-executive Director and Chair of Audit Committee of Unum Limited
- Head of Environment and Sustainable Development of Network Rail
- Head of Environment at Anglo American plc
- Trustee of the Royal School of Needlework
- Non-executive Director of Kew Soda Ltd

#### Martin Magee

Appointed July 2023. Member of the Audit and Risk, Management Engagement, Remuneration and Disclosure Committees. Jersey resident.

#### Skills and experience contributing to the Board

- As a previous Finance Director, understands complex financial and funding matters
- Extensive executive experience across various sectors
- Broad non-executive Director experience
- Chartered accountant

#### Current roles

- Non-executive Director and Audit Chair of Jersey Post International Ltd

#### Past roles

- Finance Director and Executive Director of Jersey Electricity plc
- Director of Channel Islands Electricity Grid Limited
- Non-executive Chair of Aberdeen Standard Capital Wealth Offshore Strategy Fund Limited
- Various senior executive positions at Scottish Power and Stakis plc (now part of the Hilton Group)

### Non-executive Director

#### Jennifer Dunstan

Appointed July 2023 as the 3i Group nominated Director. UK resident.

#### Skills and experience contributing to the Board

- Valuable experience and insight into the assessment of new investments and management of portfolio companies, as well as fundraising.
- Experienced non-executive Director across sectors, continents and ownership models
- Significant experience as an investor leading major deals

#### Current roles

- 3i Group Partner - Head of Fund Investor Relations
- Co-founder, non-executive Director and past Chair of WPEI Limited (Level 20)
- Trustee of The Fred Hollows Foundation (UK)
- Non-executive Director of AUFJ Limited

#### Past roles

- Partner in 3i's Private Equity business, active investor and experienced board member of a variety of companies
- Nine years at Terra Firma Capital Partners as an investor and board member of a number of companies
- Managing Director of Nomura's Principal Finance Group (PFG)
- Solicitor Allen Allen & Hemsley in Sydney and London

# Board leadership and purpose continued

## Investment Management team

Scott Moseley



Bernardo Sottomayor



James Dawes



Aaron Church



Anna Dellis



Thomas Fodor



Tim Short



Oscar Tylegard



# Board leadership and purpose continued

## Investment Management team continued

### Managing Partners

#### Scott Moseley

Joined 3i Group in 2007. Managing Partner and Co-Head of European Infrastructure since July 2022.

##### Current roles

- Member of 3i Group's Executive Committee, Investment Committee and Group Risk Committee
- Extensive investment experience in European infrastructure, spanning utilities, transportation and social infrastructure
- Investments include GCX, Tampnet, ESVAGT, Elenia, Cross London Trains ('XLT') and Eversholt Rail Group
- Led the successful divestments of Elenia and XLT as well as previously being responsible for junior debt investments in Arqiva, Associated British Ports, Télédiffusion de France, Thames Water and Viridian
- Non-executive Director of Tampnet, ESVAGT and GCX

##### Past roles

- Prior to 2007, Scott was a member of the capital markets teams at WestLB and Crédit Agricole

#### Bernardo Sottomayor

Joined 3i Group in 2015. Managing Partner and Co-Head of European Infrastructure since July 2022.

##### Current roles

- Member of 3i Group's Executive Committee, Investment Committee and Group Risk Committee
- Led or co-led investments by the Company in Joulz, TCR, Infinis, Attero, Alkane Energy, Ionisos and SRL Traffic Systems
- Non-executive Director of TCR

##### Past roles

- Over 25 years' experience of investing and advising in infrastructure
- Partner at Antin Infrastructure, which managed funds investing in infrastructure opportunities across Europe
- Managing Director, Head of Acquisitions for Deutsche Bank's European infrastructure fund
- Head of M&A at Energias de Portugal public utilities company
- M&A advisory with UBS and Citigroup

### CFO

#### James Dawes

Joined 3i Group in 2016. CFO of 3i's Infrastructure business.

##### Current roles

- Performs CFO duties for 3i Infrastructure
- Manages the operational, financial and reporting requirements for 3i Group's infrastructure business
- Non-executive Director of SRL Traffic Systems

##### Past roles

- Finance Director of LGV Capital from 2007 to 2015
- Senior finance roles with Legal & General Investment Management

### Partners

#### Aaron Church

Joined 3i Group in 2013 and is a partner in the London infrastructure business.

##### Current roles

- Focuses on origination, execution and asset management of economic infrastructure investments
- Extensive infrastructure investing experience across the transport, utilities, energy and waste sectors
- Senior deal team member on the acquisitions of Joulz, Attero, Tampnet, Infinis and ESVAGT, and the sale of Attero and the Oystercatcher European terminals
- Non-executive Director of Joulz, Ionisos and Advorio Singapore

##### Past roles

- Infrastructure investor at HRL Morrison & Co in Europe and Australasia
- Started career at Boston Consulting Group



# Board leadership and purpose continued

## Investment Management team continued

### Partners

#### Anna Dellis

Joined 3i Group in 2006 and is a partner in the London infrastructure business.

##### Current roles

- Leads asset management for the infrastructure portfolio
- Led the successful exit of Oystercatcher's investments in Advorio terminals in Amsterdam, Terneuzen, Ghent and Malta
- Non-executive Director of Advorio Singapore
- Advisory Board member at DNS:NET since 2023

##### Past roles

- Advised on infrastructure transactions and financing at PwC in London
- Fellow of the Institute of Chartered Accountants of England and Wales

#### Thomas Fodor

Joined 3i Group in 2016 and is a partner in the London infrastructure business.

##### Current roles

- Leads investor relations and fundraising across the 3i European infrastructure business
- First point of contact for shareholders in 3i Infrastructure plc
- Oversees co-investment activities in the 3i Infrastructure portfolio

##### Past roles

- Private Capital Advisory at HSBC
- Started career at Lehman Brothers

#### Tim Short

Joined 3i Group in 2007 and is a partner in the London infrastructure business.

##### Current roles

- Focuses on the origination, execution and debt financing of infrastructure investments
- Transaction experience includes the acquisitions and financing of Attero, Elenia, ESVAGT, GCX, Infinis, Ionisos, Joulz, Oystercatcher, Tampnet, TCR, Wireless Infrastructure Group ('WIG') and Future Biogas
- Non-executive Director of Infinis, GCX and Future Biogas

##### Past roles

- Financial restructuring at Houlihan Lokey

#### Oscar Tylegard

Joined 3i Group in 2013 and is a partner in the London infrastructure business.

##### Current roles

- Focuses on origination, execution and asset management across the 3i European infrastructure business
- Senior deal team member on ESVAGT, Tampnet, Elenia, GCX, Infinis and Alkane Energy
- Non-executive Director of Tampnet and ESVAGT

##### Past roles

- Non-executive Director of Infinis
- Started career at Macquarie Capital

## Company purpose, values and culture

We invest responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive influence on our portfolio companies and their stakeholders. Our purpose is central to Board discussions when we review our business model, financial performance and performance against strategic objectives.

The Board recognises that tone and culture are set from the top and individually we always strive to do the right thing in all stakeholder interactions. The Board individually and collectively acts in accordance with the Board values of Integrity, Objectivity, Accountability and Legacy and expects the same from the professional advisers and service providers it engages. The Chair encourages Directors to express differences of perspective and to challenge views and opinions but always in a respectful, open, supportive and collaborative fashion. Board behaviours are also evaluated as part of the annual Board evaluation. The Board's culture and values are complemented by the strong institutional culture and values of our Investment Manager.



## Role of the Board

The Board's role is to lead the Company in achieving its purpose. The governance framework of the Company reflects the fact that, as an investment company it outsources portfolio management services to an Investment Manager. The Board, therefore, is also responsible for constructively challenging and scrutinising the performance of all outsourced activities, including of the Investment Manager. See pages 89 to 92 for further information on the Board's key decisions and areas of focus affecting stakeholders.

The Board is ultimately accountable to our shareholders, and the Directors ensure that both their decisions and the actions of the Investment Manager are aligned with the Company's, and wider stakeholders', interests. It determines the Investment policy, the appointment of the Investment Manager, financial strategy and planning, approval of the results and dividends, and oversees the maintenance of internal controls and the risk management framework, membership of the Board, Director remuneration and adherence to the corporate governance framework.

# Board leadership and purpose continued

The Company has no employees and its investment and portfolio monitoring activities have been delegated by the Board to 3i Investments plc in its role as Investment Manager. The Board ensures that the Investment Manager has the resources and capabilities to support the delivery of the Company’s purpose and strategy. Under the Investment Management Agreement (‘IMA’) the Investment Manager has sole discretion to make decisions on investments and divestments, other than those decisions which relate to transactions which reach certain financial thresholds, in particular in relation to investments or divestments which represent 15% or more of the gross assets of the Company, which require Board approval. The Board also maintains a Schedule of Matters Reserved to the Board, which are considered significant to the Company due to their strategic, financial or reputational implications and consequences.

The Investment Manager prepares reports and papers that are circulated to the Directors electronically in advance of Board and Board Committee meetings. These papers are supplemented by information specifically requested by the Directors, and additional papers and presentations from the Investment Manager, Company Secretary and other professional advisers and service providers.

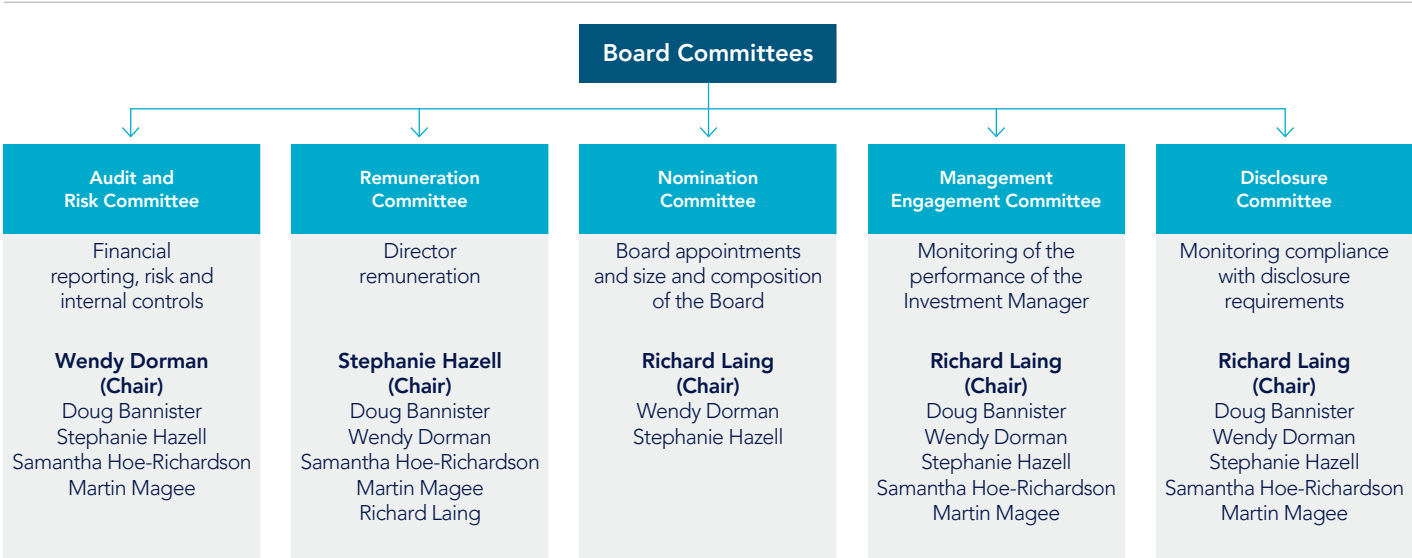
The Chair is responsible for the leadership of the Board and ensuring its effectiveness. In addition to the Chair, there are currently five independent non-executive Directors and one 3i Group nominated Director, who is not considered independent. The Board’s core values underpin its open and collaborative culture and are supplemented by the skills that each individual Director brings to the Company.

### Board Committees

The Board is assisted in its activities by a number of standing Committees of the Board and, in discharging its duties, it delegates certain authorities and decisions to these Committees. The Board reviews the membership of these Committees on a regular basis. The Board Committee structure, together with a summary of the roles and composition of the Committees, is outlined in the table below.

All Committees have Terms of Reference, which are available on [www.3i-infrastructure.com](http://www.3i-infrastructure.com). The Board, on the advice of the Company Secretary, annually reviews the Committees’ Terms of Reference and the Schedule of Matters Reserved to the Board to ensure they remain appropriate and compliant with the legal and regulatory environment.

### 3i Infrastructure plc



## Meetings

Directors are expected to attend all Board and Committee meetings, but in certain exceptional circumstances, such as pre-existing commitments or illness, it is recognised that Directors may be unable to attend. In these circumstances, the Directors receive relevant papers and, where possible, will communicate to the Chair or Company Secretary any comments and observations in advance of the meeting for raising as appropriate during the meeting. They are updated on any developments after the meeting by the Chair of the Board or Committee, as appropriate.

During the year, there were six scheduled meetings of the Board of Directors and two additional ad hoc Board meetings arranged at short notice to consider time-critical matters. The Board has regular update calls with the Investment Manager in order to stay informed of the activities of the Company and Investment Manager between Board meetings.

The Board also holds an annual Strategy Day to allow deeper discussion of strategic matters and which includes presentations from the Investment Manager on key areas of the business. Actions from the day are considered throughout the year.

Highlights of this year's Strategy Day included a presentation by the CEO of GCX and the opportunity for non-executive Directors to meet members of the wider Investment Manager's team during break-out sessions.

## Meetings of the Board

The table below sets out the attendance of the Directors at the scheduled Board meetings (excluding ad hoc Board meetings) and the attendance of Committee members at the relevant Committee meetings held during the financial year.

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee
Richard Laing	6 (6)	– <sup>1</sup>	1 (1)	2 (2)	2 (2)
Doug Bannister	6 (6)	3 (3)	1 (1)	–	2 (2)
Wendy Dorman	6 (6)	3 (3)	1 (1)	2 (2)	2 (2)
Stephanie Hazell	6 (6)	3 (3)	1 (1)	1 (1)	2 (2)
Samantha Hoe-Richardson	6 (6)	3 (3)	1 (1)	–	2 (2)
Jennifer Dunstan <sup>2</sup>	3 (3)	–	–	–	–
Martin Magee <sup>2</sup>	3 (3)	2 (2)	1 (1)	–	1 (1)
Ian Lobley <sup>3</sup>	3 (3)	–	–	–	–
Paul Masterton <sup>3</sup>	3 (3)	1 (1)	–	1 (1)	1 (1)

<sup>1</sup> Richard Laing attends the Audit and Risk Committee meetings by invitation.

<sup>2</sup> Jennifer Dunstan and Martin Magee were both appointed to the Board effective 20 July 2023.

<sup>3</sup> Ian Lobley and Paul Masterton retired from the Board effective 20 July 2023.

The table above indicates the number of meetings attended and, in brackets, the number of meetings the Director was eligible to attend. Directors are invited to attend the meetings of Committees of which they are not members. No Disclosure Committee meetings were convened during the year. On occasion and where appropriate, the Board itself considered matters relating to the treatment of price-sensitive information, rather than convening a separate Disclosure Committee.

# Division of responsibilities

In compliance with the AIC Code, the Board has established an Audit and Risk Committee, a Nomination Committee and a Remuneration Committee in addition to a Management Engagement Committee and a Disclosure Committee. This structure allows the Board to focus on matters of strategic importance with authority for specific matters being delegated to Committees. Each Committee Chair provides regular reports to the Board on the matters covered at each Committee meeting.

To ensure that the Board performs effectively, there is a clear division of responsibilities between Board roles, set out in writing and agreed by the Board. Key roles have been defined in greater detail opposite:

Role	Responsibilities
<b>Chair</b>	<p>As Chair, Richard Laing:</p> <ul style="list-style-type: none"> <li>• leads the Board in the determination and implementation of its purpose and strategy;</li> <li>• promotes a culture of responsibility, scrutiny, challenge and support in Board meetings, underpinned by the Board values of Integrity, Objectivity, Accountability and Legacy;</li> <li>• is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda;</li> <li>• facilitates the effective contribution of all Directors;</li> <li>• actively encourages constructive relations between the Company's advisers, the Investment Manager, and the Directors;</li> <li>• ensures that the views of all stakeholders are understood and considered appropriately in Board discussions and decision making; and</li> <li>• leads the Board and Committee evaluations.</li> </ul>
<b>Senior Independent Director</b>	<p>As Senior Independent Director, Stephanie Hazell:</p> <ul style="list-style-type: none"> <li>• acts as a sounding board for the Chair;</li> <li>• supports the Chair in the delivery of his responsibilities;</li> <li>• acts as an intermediary with the Chair for the other Directors and shareholders;</li> <li>• leads the appraisal of the Chair's performance with the non-executive Directors; and</li> <li>• is available to address shareholders' concerns that have not been resolved through the usual channels of communication.</li> </ul>
<b>Non-executive Directors</b>	<p>The remaining non-executive Directors:</p> <ul style="list-style-type: none"> <li>• provide constructive challenge during discussions and offer strategic guidance to the Board;</li> <li>• bring independent judgement to the consideration of issues of strategy, performance, investment appraisal, communication matters and standards of conduct;</li> <li>• ensure high standards of financial probity on the part of the Company; and</li> <li>• scrutinise the performance of the Company and progress against strategic objectives.</li> </ul>
<b>Company Secretary</b>	<p>3i plc serves as the Company Secretary under the terms of the IMA. 3i plc's Group Secretariat:</p> <ul style="list-style-type: none"> <li>• ensures compliance with Board procedures and corporate governance best practice;</li> <li>• provides corporate governance advice and guidance to the Board and keeps the Board updated on corporate governance developments;</li> <li>• assists the Chair with meeting preparation; and</li> <li>• ensures that the Board has access to timely, high-quality information in order to function effectively and efficiently.</li> </ul>

Each of the Directors has an appointment letter, copies of which are available from the Company Secretary upon request. No Director has a contract of employment with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated, without compensation for loss of office, in accordance with the Company's Articles of Association (the 'Articles').

The Articles further specify that each of the Directors shall retire and may offer themselves for re-election at each AGM of the Company. Following the formal appraisal process of Directors, and in accordance with Provision 7.2, paragraph 23 of the AIC Code, the Board will propose the re-election of Richard Laing, Doug Bannister and Stephanie Hazell. Jennifer Dunstan and Martin Magee will stand for election for the first time, having been appointed to the Board in July 2023. Wendy Dorman and Samantha Hoe-Richardson will not be putting themselves forward for re-election. For further information on the Board's succession plans please see pages 95 and 96 of the Nomination Committee report.

As an externally managed investment trust, the Company does not have employees or customers. Its main stakeholders therefore comprise its shareholders, third-party professional advisers and service providers (most notably the Investment Manager), portfolio companies, lenders, and government and regulatory bodies. A strong understanding of our stakeholders and their views is integral to the Company's strategic planning and achievement of its strategic objectives. The Board has limited direct engagement with stakeholders as most engagement takes place through the Investment Manager. The Investment Manager regularly reports to the Board on stakeholder views to ensure that Board decisions are well informed.

Stakeholders may contact the Chair or any other Board member via the Company Secretary or the Investment Manager. Set out below are examples of the Board's key decisions and areas of focus over the last year, and details of how the interests of stakeholders were taken into account. See page 75 for our s172 statement.

Stakeholder	Approach to engagement and consideration of stakeholder interests	Board actions impacting shareholders	Outcome
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Investor relations activities, including roadshows by the Investment Manager and the Company's brokers</li> <li>Annual Capital Markets Day</li> <li>Analysis of shareholder register presented and reviewed at each Board meeting</li> <li>Updates at every Board meeting on investor engagement in the period</li> <li>Regular presentations to the Board by the Company's brokers</li> <li>Regular invitations to engage with the Chair or Chairs of Committees via the Company's brokers</li> <li>Annual General Meeting where Directors are available to answer questions</li> <li>The Company's website provides details of forthcoming events for shareholders and analysts, videos of results presentations, presentations from the Capital Markets Event, and portfolio activities</li> </ul>	<ul style="list-style-type: none"> <li>The approval of the Half-yearly results and Annual report and accounts</li> <li>The approval of the interim and final dividend and the target for the subsequent year's dividend</li> <li>Consideration of strategy and business model in the context of the external economic and political environment</li> <li>Regular reviews of balance sheet strategy and liquidity. See our Financial review on page 59</li> <li>Oversight of risk management, principal risks and mitigations and the effectiveness of the internal control framework to protect shareholder investment. See the Risk report on page 63 and the Audit and Risk Committee report on page 98 for further information on risk management and controls</li> </ul>	<p>The Board's intention is to foster an open, two-way communication with its shareholders. The Investment Manager's extensive Investor Relations programme enables investors to understand the Company's performance, assists them in making their investment decisions, and provides them with an opportunity to engage with senior members of the Investment Manager's team and Board members (should they request engagement). During the year, the Chair met with investors who had requested engagement meetings. All feedback from investors is discussed at Board meetings</p>

Stakeholder	Approach to engagement and consideration of stakeholder interests	Board actions impacting shareholders	Outcome
<b>Investment Manager</b>	<ul style="list-style-type: none"> <li>At each Board and Audit and Risk Committee meeting, representatives from the Investment Manager present verbal and written reports covering their activity, including portfolio and investment performance over the preceding period</li> <li>The Board, and the Chair, have regular scheduled update calls and informal meetings with the Investment Manager between Board meetings</li> <li>Monitoring the relationship with and performance of the Investment Manager by the Management Engagement Committee</li> <li>The Investment Manager provides the Board with regular updates on its team composition and any changes. At the Board's annual Strategy Day this year, the Directors had the opportunity to meet members of the wider Investment Manager's team during break-out sessions</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of the performance of the Investment Manager</li> <li>Approval of the continued appointment of the Investment Manager. For further details see the Management Engagement Committee report on page 104</li> <li>Review and approval of fees paid to the Investment Management under the IMA to ensure that they are fair and reasonable</li> </ul>	<p>The Company's principal service provider is the Investment Manager, who is responsible for managing the Company's assets in order to achieve its stated investment objective. The Directors believe that fostering constructive and collaborative relationships with the Investment Manager will assist in their promotion of the success of the Company for the benefit of all shareholders. This ensures that the Company and its portfolio assets are well managed, the Company adheres to its strategy, and the Board receives appropriate and timely management and support services from the Investment Manager</p>
<b>Other professional advisers and service providers</b>	<ul style="list-style-type: none"> <li>Annual review and monitoring of both the arrangements that are in place with all key third-party service providers and their performance</li> <li>Key service providers attend Board and Committee meetings as appropriate to advise the Board on specific matters</li> <li>The Company's brokers present to the Board at least annually to advise on all aspects of their remit, particularly in relation to feedback from shareholders and potential investors. This year, the brokers have provided specific advice to the Board and the Investment Manager on the Company's access to liquidity</li> <li>The Company's Jersey administrator attends each Audit and Risk Committee meeting and presents its compliance report at each such Committee meeting</li> </ul>	<ul style="list-style-type: none"> <li>Annual review of the anti-money laundering procedures, sustainability procedures and business continuity arrangements for all service providers in order to assess their performance and consider the appropriateness of their continued appointment. See the Audit and Risk Committee report on page 98 for further discussion on the annual review of professional service providers</li> </ul>	<p>The Company contracts with professional advisers and third parties for services, including the external auditor, the brokers, the depositary, legal advisers, the financial adviser, the financial PR adviser, the Registrar, the Jersey administrator, and with 3i plc for company secretarial, treasury, accounting and internal audit services. Provision of these services is necessary to ensure the Company's compliance with its legal and regulatory obligations. The key third-party professional advisers and service providers work closely day-to-day with the Investment Manager</p>

Stakeholder	Approach to engagement and consideration of stakeholder interests	Board actions impacting shareholders	Outcome
<p><b>Portfolio companies</b></p>	<ul style="list-style-type: none"> <li>One or more of the Investment Manager’s investment professionals sits on the board of each portfolio company (or acts as a board observer) and engagement with a portfolio company takes place both formally at board level and informally by the Investment Manager’s team on an ongoing basis</li> <li>At each scheduled Board meeting, the Board reviews portfolio company performance and discusses thematic issues that affect portfolio companies, such as the impact of macroeconomic risks. See the Risk report on page 63 for further details</li> <li>From time to time portfolio company executives provide presentations to the Board. During the Board’s annual Strategy Day the CEO of GCX briefed the Directors on aspects of the GCX business</li> </ul>	<ul style="list-style-type: none"> <li>Review of portfolio company performance and prospects</li> <li>Review of portfolio company valuations by the Audit and Risk Committee and approval of them by the Board</li> <li>Regular Audit and Risk Committee discussions with the auditor without the Investment Manager present</li> </ul>	<p>The companies in which we invest are the source of returns to shareholders. The principal engagement with portfolio companies is through the Investment Manager’s team which drives value through its engaged asset management approach as detailed in our Business model (see page 14)</p>



Stakeholder	Approach to engagement and consideration of stakeholder interests	Board actions impacting shareholders	Outcome
<b>Government and regulatory bodies</b>	<ul style="list-style-type: none"> <li>During the year, the Investment Manager and Company Secretary met with the Jersey Financial Services Commission ('JFSC') to discuss the Company's request for a variance to the Jersey law requirement of having two Jersey resident Directors on the Board. The Board was pleased with the positive outcome of this engagement which resulted in the Company now being required to have only one Jersey resident Director on the Board until further notice</li> <li>At each meeting the Audit and Risk Committee receives updates from the Company's Jersey administrator on changes to Jersey law and regulation that affect the Company</li> <li>The Company adheres to the AIC Code and engages regularly with the AIC on matters related to corporate governance that affect investment companies</li> <li>The Board receives corporate governance updates from the Company Secretary along with an annual briefing from the Company's auditor</li> <li>Through the Investment Manager, the Company responds to government consultations on issues relevant to its business</li> </ul>	<ul style="list-style-type: none"> <li>The Company's Jersey resident Directors registered with the JFSC in compliance with updated Jersey anti-money laundering legislation</li> <li>The Board reviewed and approved updated Business Conduct and Anti-Money Laundering manuals in compliance with Jersey legislation</li> <li>The Audit and Risk Committee approved the Company's Business Risk Assessment</li> <li>The Board undertakes an annual review of the Company's policies, the Board's Schedule of Matters Reserved to the Board and Committee Terms of Reference to ensure that they remain fit for purpose and adhere to best practice</li> </ul>	<p>Being a UK listed and Jersey registered Company, the Board views compliance with regulations as of the utmost importance. The Company continues to operate in compliance with relevant law and regulation and ensures the highest standards of corporate governance for the benefit of all stakeholders</p>
<b>Lenders and hedging counterparties</b>	<ul style="list-style-type: none"> <li>The Investment Manager's treasury team manages the engagement with the lenders in the Company's RCF and the Company's hedge counterparties</li> </ul>	<ul style="list-style-type: none"> <li>The Investment Manager presents an update on foreign exchange hedging at each Board meeting</li> <li>The Investment Manager provides an annual comprehensive treasury update to the Board</li> </ul>	<p>The Company requires access to bank borrowing to maintain its financial structure and liquidity. Access to bank borrowing and hedging instruments provides important flexibility and resilience to the Company's financial structure and helps the Company to maintain an efficient balance sheet</p>

## Composition and succession

As at the date of this report, the Board consists of seven members, comprising the Chair, five independent non-executive Directors and one non-executive Director who is the 3i Group nominated Director and not considered to be independent. Biographies of the Directors are set out on pages 80 and 81. The Board considers that there is an appropriate balance of skills, experience and independence on the Board to enable it to discharge its duties. See page 95 for the Board's skills matrix.

The Board believes that shareholders' interests are best served by ensuring a smooth and orderly refreshing of the Board, and it has a long-term succession programme in place. The role of the Nomination Committee is critical in ensuring that the composition and balance of the Company's Board and Committees support both the Company's strategy and best practice in the area of corporate governance. During the year, the composition of the Board underwent changes as part of the Nomination Committee's succession planning activities. For further details, see the Nomination Committee report on pages 95 to 97.

## Conflicts of interest and independence

The Board assesses and reviews the independence of each of the Directors at least annually and considers whether or not a Director has any interest, position, association or relationship which is likely to influence unduly or cause bias in decision-making in the best interests of the Company and its stakeholders. The Board considers all Directors, with the exception of Jennifer Dunstan, who is the 3i Group nominated Director, to be independent in character and judgement, and free from conflicting business or other interests that could interfere with the exercise of their independent judgement. The Chair was considered independent on appointment and has no relationships or circumstances which might create a conflict of interest between his interests and those of the shareholders. See page 95 of the Nomination Committee report for further information.

Jennifer Dunstan, the 3i Group nominated Director, has a pre-approved conflict in relation to the IMA. The Board ensures the independence of all Directors and it has at its disposal a range of conflict management tools to manage potential or actual conflicts.

These include temporary separation or recusal from a relevant process or decision, restriction of access to certain information and sharing authority through collective decision making. In view of this practice, the 3i Group nominated Director recuses herself when matters in which 3i Group has an interest are discussed. Jennifer Dunstan is not a member of the Management Engagement Committee and did not participate in the Board's evaluation of the performance of the Investment Manager.

In accordance with the Articles and the Companies (Jersey) Law 1991, the Board can authorise any matter that would otherwise result in a Director breaching his or her duty to avoid a conflict of interest. The Company's Jersey administrator maintains a conflict register covering actual and potential conflicts and details of the Board authorisation of any conflict. When they are appointed, all Directors are required to disclose any other appointments or significant commitments. They must also notify the Chair and Company Secretary of any changes or new appointments in order for the Board to consider the time commitment required and any potential conflicts of interest prior to providing its approval for new appointments.

## Board evaluation

The Board recognises that it needs to continually monitor and improve its performance and the annual performance evaluation provides the opportunity for the Board and its Committees to consider and reflect on the effectiveness of its activities, the quality of its decision making, and the collective contribution made by each Board member. This year, an internal review of the performance of the Board was led by the Chair with the support of the Company Secretary. Committee performance was also reviewed as part of the main Board evaluation. In accordance with the AIC code and best practice, the FY25 evaluation will be externally facilitated by an independent service provider.

All Directors and the Investment Manager completed a confidential questionnaire using an online tool. The questionnaire was similar to those used in the past to ensure a comprehensive review and provide assurance on progress against actions. The questionnaire is also tailored to suit the nature of the Company. Anonymised reports were subsequently prepared by the Company Secretary and presented to the Board for consideration.

The performance of the Chair was evaluated by the other Directors under the leadership of the Senior Independent Director.

The conclusion of the evaluation was that the Chair remains effective in his role, and his leadership, experience and knowledge was valued by the other Directors.

The Board had an extensive discussion to identify progress made and further actions to be taken. Each of the Chair and Committee Chairs excused themselves from the meeting when their performance was discussed.

The conclusions of this year’s evaluation have been positive and confirmed that the structure and operation of the Board remains effective. In particular, the following progress and actions were identified:

**Progress since 2023 evaluation**

- The Board was devoting appropriate time to strategic matters during meetings and prioritising strategic topics on meeting agendas
- The collaborative and constructive relationship between the Investment Manager and the Board was highlighted following the succession of the Investment Manager’s Managing Partners the previous year

**Actions for the coming year**

- Funding and liquidity planning would continue to be an area of focus
- The Nomination Committee and the Board should maintain their focus on succession planning, especially in relation to diversity and tenure
- Directors should continue to challenge themselves and each other to ensure effective decision making

**Director induction, training and development**

Upon joining the Board, all Directors receive a formal induction to the Company, which is designed to enable them to understand the Company’s purpose, values and strategy, the industry in which it operates, and the portfolio companies, so that they can be effective Board members from the outset. The induction programme includes presentations on corporate governance, Director duties relevant to a Jersey-incorporated UK Listed Company, meetings with the wider Investment Management team, external advisers, briefings and reading materials on tax, ESG, portfolio financing, legal, finance matters, compliance and internal audit.

During the year, Directors receive a full programme of briefings across all areas of the Company’s business, with the objective of ensuring that the Directors remain up to date on all issues affecting the Company. Briefings are led by the Investment Manager, Company Secretary or external service providers and cover a wide variety of sector-specific and business issues, as well as legal and financial regulatory developments relevant to the Company and the Directors. Sessions during the year included briefings on UK corporate governance developments, changes to laws and regulations in Jersey and the UK, the FCA Consumer Duty, tax matters, fundraising, ESG developments, and developments in the infrastructure market. Detailed briefing papers or presentations are provided at each scheduled Board meeting or at ad hoc meetings, and Directors have the opportunity for formal and informal meetings with the Investment Manager or the Company’s other advisers.

As part of their role, Directors are also expected to personally identify any additional training requirements they feel would benefit them in performing their duties to the Company. In accordance with Jersey regulations, the Directors are required to undertake sufficient, relevant and appropriate training and development each year. Directors have access to the advice and services of the Company Secretary and, when deemed necessary, the Directors can seek independent professional advice.

# Composition, succession and evaluation continued

## Nomination Committee report



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The Committee's main focus is to ensure the Board has an appropriate balance of skills, knowledge, experience and diversity to operate effectively and deliver our strategy.

**Richard Laing**  
Chair, Nomination Committee

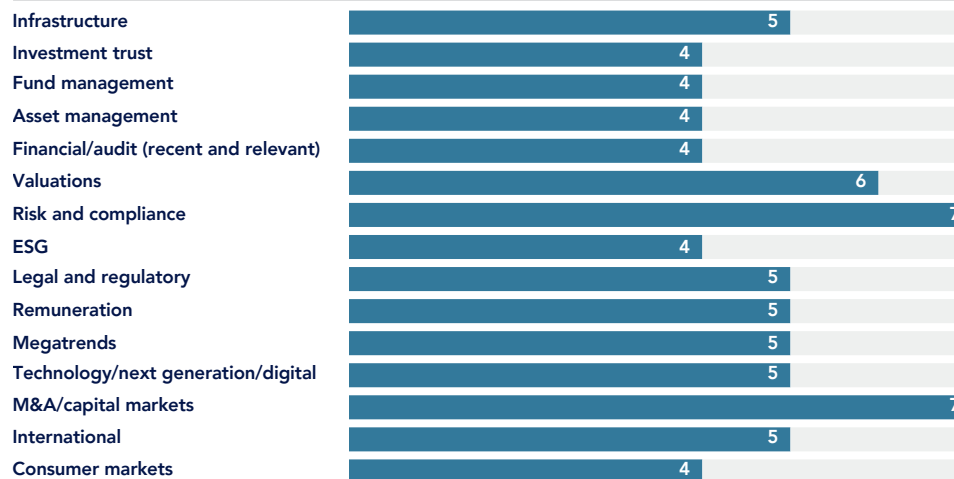
### Role of the Committee

The Committee's principal responsibility is to ensure that, collectively and at any given time, the members of the Board possess the necessary balance of knowledge, skills and experience to support and develop the strategy of the Company. In seeking to achieve this, it recommends new Board appointments as and when appropriate and ensures that effective succession planning processes are in place. In accordance with the Committee's Terms of Reference, it is the Board as a whole that is responsible for making new appointments upon recommendation by the Nomination Committee.

Members of the Committee do not vote in decisions affecting their own position. During the year, the Committee reviewed its compliance with the AIC Code and its Terms of Reference and confirmed that it remained compliant with all of its corporate governance responsibilities.

The Board's range of technical, sector-relevant experience, objectivity and independence together facilitate effective decision making. The range of skills and experience within the Board is shown in the skills matrix below and in the Director biographies on pages 80 and 81.

### Directors' skills matrix (Number of Directors)



### Composition and succession planning

As part of its review of composition and succession planning, the Committee carefully considered which skills and experience it would require on the Board over the coming years based on the current and perceived future challenges facing the Company and the tenure of all Directors. In FY24, we saw a number of changes to the composition of the Board as a result of the Committee's work.

In July 2023, we welcomed Martin Magee to the Board as an independent non-executive Director following the culmination of an extensive search process using the services of Kendrick Rose, an independent recruitment consultant. As planned, Wendy Dorman will be retiring from the Board at the conclusion of the 2024 AGM and Martin Magee will succeed her as the Chair of the Audit and Risk Committee. As the former Finance Director of Jersey Electricity plc, Martin's appointment adds extensive knowledge of complex financial and regulatory matters to the skills of the Board. On behalf of the Board, I would like to thank Wendy for her years of commitment and valuable leadership in steering the Audit and Risk Committee.

# Composition, succession and evaluation continued

## Nomination Committee report continued

In accordance with the terms of the relationship agreement between 3i Group plc and the Company, 3i Group plc nominated Jennifer Dunstan to replace Ian Lobley as a member of the Board. She was appointed effective 20 July 2023. Jennifer brings a significant range of strategic investment knowledge across a range of sectors to the Board, which will be of great value to the Company.

At the same time as announcing the appointments of Jennifer and Martin, the Board bid farewell to Ian Lobley and Paul Masterton who both retired from the Board effective 20 July 2023. The Board is grateful for their years of commitment and contribution to the Company. Stephanie Hazell succeeded Paul Masterton as Senior Independent Director and Chair of the Remuneration Committee.

Samantha Hoe-Richardson has indicated her intention to stand down from the Board at the conclusion of the 2024 AGM. The Committee has engaged Russell Reynolds as independent recruitment consultant to support the search for an appropriate successor.

The Board has agreed a maximum term for any Director of nine years, subject to any circumstances that might make it appropriate to extend the tenure of a Director for a limited time. In order to facilitate succession

planning, the Directors' appointment letters provide for a formal review on the third and sixth anniversaries of first appointment to discuss whether it is appropriate to serve for a further three-year term.

The Board considers that continuity and experience add significantly to the strength of the Board. The Board also takes the view that independence is not necessarily compromised by length of tenure on the Board, so long as it is carefully considered and renewed annually. With this in mind, the Board asked Doug Bannister, who has agreed, to extend his tenure by one year. This will ensure orderly succession planning and continuity on the Board whilst avoiding the departure of too many non-executive Directors occurring in short succession.

For FY25, the Committee's focus will be on succession planning for the Chair.

### Diversity

The Board has adopted 3i Group's Equal Opportunities and Diversity policy insofar as it is relevant to the Company having only non-executive Directors and no employees. The policy can be found at [www.3i.com](http://www.3i.com). The Board, with the support of the Committee, is committed to promoting greater diversity on the Board to enhance the effectiveness of the Board.

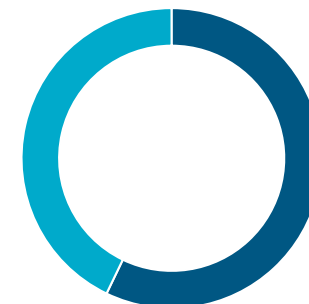
As can be seen by the graphs on this page, this commitment has led to improved gender diversity on the Board, which has achieved the target set by the FTSE Women Leaders Review of having 40% of FTSE 350 board roles filled by women by 2025.

The Committee acknowledges that, as at the date of this report, ethnic diversity on the Board falls short of the Parker Review target of having at least one Director from an ethnic minority background by December 2024. The Committee has taken into consideration both the gender and ethnic balance of the Board as a key factor during its current recruitment process and currently expects that it will meet the Parker Review target in FY25.

The framework within which the Committee assesses the composition of the Board, its Committees and future Board appointments is based on the Company's strategic objectives, regulatory requirements, the Company's status as a UK listed, Jersey incorporated company, and the specific functions which non-executive Directors are required to fulfil on Committees.

Following extensive interaction with the JFSC regarding the Board's succession plans and the challenges it faces in satisfying the requirement for two Jersey resident directors, whilst also achieving the right balance of skills and diversity, the JFSC has now granted the Company a variance to this requirement.

### Board members by gender



● Female (57%) ● Male (43%)

### Non-executive Directors' tenure



● 0-3 years ● 4-6 years ● 7+ years

# Composition, succession and evaluation continued

## Nomination Committee report continued

In future, the Company is required to have only one Jersey resident Director until further notice. This allows the Committee to search for new Directors in a geographically wider area, leading to a more diverse pool of candidates from which to select.

The Board has previously stated that it would consider redomiciling the Company to the UK under a proposed UK Corporate Redomiciliation regime, on which the UK government consulted during 2021. The Investment Manager has recently been contacted by the UK Department for Business & Trade to engage further on these proposals.

Despite the challenges already mentioned, diversity in all its forms remains a critical consideration in the Board’s succession planning processes.

In accordance with LR 9.8.6(9) of the FCA’s Listing Rules, the tables on this page set out details of the diversity of the individuals on the Board at the date of this report. The Listing Rules state that, for purposes of the required disclosure and assessment against targets, senior board positions consist of the chair, chief executive officer (CEO), senior independent director (SID) or chief financial officer (CFO) (LR 9.8.6R (9)(a)(iii)).

The Listing Rules make provision for closed-ended investment funds, such as the Company, which do not typically have a CEO or CFO, to not report against the target to have at least one of the senior board positions held by a woman if it is “inapplicable”.

The Board considers the role of the Chair of any of its permanent Committees to be senior positions on the Board.

Stephanie Hazell is the Chair of the Remuneration Committee and Senior Independent Director, whilst Wendy Dorman is the Chair of the Audit and Risk Committee. The Board therefore complies with the target of having at least one senior Board position held by a woman.

### Appointment process

When considering candidates for appointment as Directors of the Company, a detailed job specification and candidate profile is prepared, and consideration is given to the existing experience, knowledge and background of Board members, as well as the strategic and business objectives of the Company. It is the Company’s policy to use independent external search agencies for all Board recruitment.

Gender identity or sex	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	3	43%	1
Women	4	57%	2
Not specified/prefer not to say	–	–	–

Ethnic background*	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other white (including minority-white groups)	7	100%	3
Mixed/Multiple ethnic groups	–	–	–
Asian/Asian British	–	–	–
Black/African/Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

\* This information was collected through a self-identification exercise by all Directors and facilitated by the Company Secretary. Permission was sought from the Directors to use the information for this purpose.

Shortlisted candidates are invited to interview with members of the Committee and, if recommended by the Committee, would be invited to meet the entire Board before any decision is taken relating to the appointment. Senior members of the Investment Manager also meet potential candidates and provide their views to the Committee.

The Committee is also responsible for obtaining and verifying references prior to any formal decision on appointment.

Appointments are therefore made on personal merit and against objective criteria with the aim of bringing new skills and different perspectives to the Board whilst considering the balance of knowledge, experience and diversity.

**Richard Laing**  
Chair, Nomination Committee  
7 May 2024

# Audit, Risk and Internal Control

## Audit and Risk Committee report



The Committee plays a crucial role in supervising the integrity of the Company's financial reporting, audit process, and risk management and internal controls.

**Wendy Dorman**  
Chair, Audit and Risk Committee

### Membership and meetings

The Audit and Risk Committee comprises five independent non-executive Directors, collectively possessing the requisite financial, risk management, internal control, and commercial experience necessary to fulfil the Committee's mandate. Wendy Dorman, the Chair of the Audit and Risk Committee, is a Chartered Accountant, and the Board is satisfied that she has recent and relevant financial experience. While the Chair of the Board is not a Committee member, he attends meetings upon invitation.

Throughout the year, the Committee holds three scheduled meetings, aligning with the Company's reporting cycle. These meetings adhere to an annual workplan derived from the Committee's Terms of Reference and supplemented by specific business requirements.

Regular attendees include the Board Chair, Jennifer Dunstan, members of the Investment Manager's team, external auditor Deloitte LLP ('Deloitte'), and the Company's Jersey administrator, Aztec Financial Services (Jersey) Limited ('Aztec').

In addition to the scheduled Committee meetings, the Committee Chair engages in regular discussions and meetings with the Investment Manager, Deloitte and Aztec. The Committee Chair provides comprehensive updates on the Committee's activities during scheduled Board meetings. As part of the overall evaluation of the Board and its Committees, the Committee's performance, along with that of its Chair, is assessed annually, as further disclosed on page 93. The Committee has consistently performed well and effectively discharged its responsibilities.

### Role of the Committee

The role of the Audit and Risk Committee is to assist the Board by establishing, reviewing and monitoring policies and procedures to ensure the integrity of financial and narrative reporting, the independence and effectiveness of the external auditor, and the effectiveness of the system of internal controls and of the risk management framework. In addition, the Committee manages the relationship with the external auditor, reviews the scope and terms of its engagement, and monitors its performance through regular effectiveness reviews.

In accordance with the Committee's role in scrutinising investment valuations, the Committee reviews and challenges the Investment Manager's semi-annual valuation assumptions, judgements and resulting valuations of the Company's underlying portfolio of infrastructure assets. More details on the Committee's role in scrutinising investment valuations can be found on page 99.

### Internal audit

Although not required under the AIC Code, the Committee annually assesses the need for an internal audit function. After careful consideration, it has determined that both the Company's and the Investment Manager's existing systems, processes, and procedures, including regular reporting by the Investment Manager's internal audit function, provide sufficient assurance regarding risk management and internal control. Consequently, the Committee has concluded that an internal audit function specific to the Company is not necessary, and this decision was subsequently approved by the Board.

# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

### Financial and narrative reporting

The Company, through the Investment Manager, has established internal control and risk management arrangements to support the financial and narrative reporting process. These arrangements ensure that the Company’s Half-yearly report and Annual report and accounts adhere to applicable standards. The Committee reviewed significant accounting matters and the accounting disclosures within the Half-yearly report and Annual report and accounts of the Company, providing recommendations to the Board.

In accordance with its Terms of Reference, the Committee also reviewed the non-financial reporting elements of the Half-yearly report and Annual report and accounts, including matters relating to ESG, and provided recommendations to the Board as appropriate.

### Fair, balanced and understandable (‘FBU’) reporting

The Committee considered the requirements outlined in the AIC Code. Specifically, they scrutinised this year’s Annual report and accounts to determine whether the financial reporting met the criteria of being fair, balanced, understandable, comprehensive and consistent with the Board’s assessment of the Company’s performance during the financial year.

As part of this evaluation, the Committee ensured that the Annual report and accounts provided shareholders with the information required to assess the Company’s position, performance, strategy and business model. Additionally, they reviewed the description of the Company’s KPIs.

The Committee’s FBU process consists of reviewing the Annual report and accounts at various stages of its production, reviewing confirmation of the factual verification process by the Investment Manager and Company Secretary, and reviewing the work of the external auditor.

### Key accounting estimates and judgements

An important responsibility of the Committee is to review and agree the key estimates, judgements and assumptions which impact the Financial statements. The key areas of judgement are outlined on this page. After receiving reports regarding the significant estimates and matters of judgement from the Investment Manager, and following consideration of Deloitte’s audit report, the Committee agreed that the judgements made were appropriate and accurately reflected in the Annual report and accounts. For more comprehensive information on the Company’s accounting policies, please refer to pages 131 to 140.

<b>Valuation of the investment portfolio</b>	<p>The Committee noted that this year there were no changes to the principles of valuation which have been consistently applied. All unquoted assets were valued using a discounted cash flow (‘DCF’) approach, except for the India Fund, where the valuation corresponds to the Company’s share of the Fund’s net assets of less than £1 million. All investments in the India Fund have been realised.</p> <p>The Weighted Average Discount Rate (‘WADR’) of the portfolio remained unchanged at 11.3% (11.3% at March 2023).</p> <p>The Committee considered the impact of a higher inflation and interest rate environment on cost and revenue assumptions. Factors considered included the impact on operating costs, the cost of debt and capital expenditure, the ability to pass cost inflation to customers, and company-specific factors. These factors were reflected in the cash flow projections of the portfolio companies. Additionally, the appropriateness of the discount rates in relation to these cash flow projections were evaluated.</p> <p>As the Company’s Alternative Investment Fund Manager, the Investment Manager is responsible for providing a properly prepared and independently challenged valuation of the investment portfolio. The Committee noted that 3i Investments plc’s Infrastructure Valuations Committee operates independently from the Investment Manager’s fund management activities and had approved the investment portfolio valuation as at 31 March 2024. Detailed discussions with the Investment Manager and external auditor, including the external auditor’s valuation expert, confirmed that the Investment Manager consistently applied the valuation principles to the investment portfolio, leading to the recommended valuations for Board approval.</p>
<b>Interest streaming</b>	<p>For an approved investment trust that has taxable profits arising from net interest income, the UK tax rules provide an option to treat a part of the dividends it pays as interest. The Committee decided to designate 5.65 pence of the 5.95 pence interim dividend payable and 3.20 pence of the 5.95 pence final dividend as an interest distribution.</p>
<b>Investment entity consideration</b>	<p>The Committee annually reviews the assessment that the Company continues to meet the criteria of an investment entity.</p>
<b>Calculation of the management and performance fees payable to the Investment Manager</b>	<p>The Committee undertook a detailed review of the management and performance fee calculation. The Committee also had access to a review of the calculation of the management and performance fee carried out by the internal audit function of the Investment Manager and engaged the external auditor to perform additional agreed-upon-procedures work in relation to the inputs to the management and performance fee calculation.</p>
<b>Valuation of derivative financial instruments and other receivables</b>	<p>The Committee considered and agreed with the Investment Manager’s valuations in relation to derivative financial instruments and other receivables.</p>



# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

In addition to the above matters, the Committee reviewed the following areas:

- the use of Alternative Performance Measures ('APMs') and the balance of APMs and GAAP measures in the Annual report and accounts (see pages 61 and 62 for more information on our use of APMs);
- the appropriateness of the sensitivity rates applied in Note 9 of the Financial statements;
- post balance sheet events; and
- other changes in presentation within the report to improve clarity for users.

The Committee conveyed its findings to the Board and advised the Board that it considered that the Annual report and accounts were fair, balanced and understandable when considered as a whole. Additionally, the Committee confirmed that, so far as it was aware, there was no relevant audit information of which the external auditor was unaware; that the Committee had taken all reasonable steps to ascertain any relevant audit information and ensure that the external auditor was aware of such information; and the Annual report and accounts provided the information necessary for the shareholders to assess the Company's position, performance, business model and strategy.

### External auditor

The Committee has primary responsibility for overseeing the relationship with Deloitte. This includes annual assessments of Deloitte's performance, effectiveness and independence. Shareholders approved Deloitte's re-appointment as the external auditor for the year ended 31 March 2024 at the Company's July 2023 AGM, following a competitive external auditor selection process in 2017. Stephen Craig has served as the audit partner for Deloitte since the conclusion of the 2022 audit. The Committee reviewed and monitored Deloitte's execution of the audit plan, reviewed its report on the half-yearly results, and considered its report on the FY24 audit. It discussed all significant matters identified in Deloitte's final report on the FY24 audit, including key accounting judgements made by the Investment Manager, and the Investment Manager's responses to audit findings.

### External auditor effectiveness

The Audit and Risk Committee assessed the effectiveness of the external audit process for FY23. This evaluation considered performance, objectivity, independence and relevant experience, as demonstrated through reports and presentations from the external audit team. The Committee engaged in discussions with the Investment Manager to gain insights into the external auditor's performance.

Key factors monitored by the Committee included the external auditor's independence and objectivity, taking into consideration relevant professional and regulatory requirements. Additionally, the quality of the audit process, and the use of Deloitte's valuation practice to support the audit of the portfolio valuations, were reviewed. The technical expertise of the Deloitte audit team and staff continuity were also taken into account.

The Committee reviewed a memorandum from the Investment Manager regarding the external auditor's effectiveness, independence and objectivity. Furthermore, it considered Financial Reporting Council ('FRC') 2016 guidance to Audit Committees when assessing the overall effectiveness of the audit process.

Specific observations related to the external auditor include:

#### 1 Assessment against the audit plan

- no discrepancies existed between the Investment Manager's or Company's views and those of the external auditor regarding accounting treatment
- the audit partner maintained a high level of engagement throughout the audit process;
- the auditors adhered to the agreed audit plan, addressing identified risks and any subsequent risks identified;
- continuity within the audit team was maintained during the audit of the Company's subsidiaries; and
- the audit process aligned with the established audit plan.

# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

### 2 Evaluation of audit quality

Following the FRC's Practice Aid for audit committees on audit quality (2019), the Committee considered four key elements supporting sound judgement by the auditor:

- (i) Judgement
- (ii) Mindset and Culture
- (iii) Skills, Character and Knowledge
- (iv) Quality Control.

In making its evaluation, the Committee noted the following in respect of the external auditor:

- the work undertaken by the external auditor to address the risks identified in their plan and any subsequent risks that had later been identified;
- the external auditor's focus on valuation assumptions, particularly inflation rates used in the individual asset models;
- the detailed audit work completed on the calculation of the management and performance fees;

- the review of disclosures required for the resilience statement and additional disclosure in the key estimation uncertainties (such as cash flow and terminal value assumptions);
- the use of data analytic tools to support the audit process;
- the level and quality of challenge received from the external auditor;
- a good knowledge of accounting standards, governance requirements and the infrastructure market;
- the robust and perceptive handling of the key accounting and audit judgements;
- the support received by the external auditor from the external auditor's technical team;
- the focus of the external auditor on compliance with the UK Investment Trust Regulations and AIC Statement of Recommended Practice; and
- the final report, informed by a solid understanding of the Company's business, provided detailed granularity regarding the valuation assumptions.

### Non-audit services and external auditor independence

The Company's policy on non-audit services is reviewed annually to ensure that such services provided by the external auditor do not compromise their independence or objectivity. To safeguard these qualities, the Chair of the Audit and Risk Committee must pre-approve all non-audit work undertaken by the external auditor for the Company and its subsidiaries. As a general rule, the external auditor avoids engagement in investment-related work. However, exceptions may be allowed if the work serves an affiliate of the Company (indirectly benefitting the Company) or pertains to reporting accountant work, such as during a capital raise. Additionally, in accordance with Deloitte's internal controls, the audit partner must approve any non-audit services provided by Deloitte to their audit client.

Deloitte and its associates rendered non-audit services to the Company, totalling £103,902 for the year to 31 March 2024 (2023: £95,891). These services included agreed-upon procedures related to management and performance fees (£8,981), sustainability KPIs for the RCF reporting (£29,500) and a review of the interim financial statements (£65,421), which are audit-related in nature.

During this financial year, in line with the Company's policy, Deloitte provided non-audit services to certain unconsolidated investee companies. The fees for these services are ordinarily borne by the underlying investee companies or unconsolidated subsidiaries, and therefore are not included in the expenses of the Company.

When assessing the external auditor's independence, the Committee reviews the total amount of fees paid to the external auditor, regardless of whether they are borne by the Company or by the investee companies.

### Conclusion

The Committee concluded that the external auditor remained independent, and the audit was effective, and that a resolution be proposed to shareholders recommending the re-appointment of Deloitte at the 2024 AGM.

### Restoring trust in audit and corporate governance

During the year, the Committee received updates on the responses of the government and the FRC to the white paper 'Restoring trust in audit and corporate governance'.

# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

The Committee noted the revised UK Corporate Governance Code, released by the FRC on 22 January 2024.

This updated code will take effect from 1 January 2025, except for the changes related to the provision on the monitoring and review of a company’s risk management and internal control framework, which will be effective from 1 January 2026. The Company adheres to the AIC Code and will assess potential amendments to Committee Terms of Reference and procedures when the AIC issues its updated code in response to the revised UK Corporate Governance Code.

### Risk management and internal control

The Board holds ultimate responsibility for the Company’s risk management and internal control framework, which includes defining the nature and extent of the principal risks it is willing to accept to achieve its strategic objectives.

The Company’s comprehensive risk management and internal control process is regularly reviewed by the Audit and Risk Committee and complies with the FRC’s ‘Guidance on Risk Management, Internal Control and Related Financial and Business Reporting’.

Throughout the year, the Committee focused on evaluating the Company’s risk management procedures, primarily based on the assessment of principal risks and uncertainties outlined in the Risk report on pages 63 to 74.

Key actions taken by the Committee included:

- conducted a thorough review of the risk register as part of the three-year risk review cycle, (for more detail on the risk review cycle see pages 65 and 66). Objectives included identifying principal, key and emerging risks facing the Company, assessing their impact and likelihood, ensuring alignment with strategic objectives, and updating the risk register and risk matrix as needed;
- detailed risk reviews as documented in the Risk report on pages 63 to 74;
- proactively identified new and emerging risks;
- reviewed the risk log during Committee meetings, and engaged with the Investment Manager to address risks noted in the log;
- considered for each principal risk the adequacy and effectiveness of controls and mitigations;

- considered risk-related matters presented in the Annual report and accounts; and
- evaluated the resilience and viability statements, along with the reverse stress test analysis (for more detail see pages 72 to 74).

A process of monitoring and oversight is built into the existing delegated authority structure through the role of the Board and its Committees, including the Audit and Risk Committee. The Company relies on third-party service providers for critical functions such as investment management, financial and treasury services, and administrative support. These service providers maintain their own operational risk management and controls. To ensure independence, the service providers’ internal audit teams conduct independent monitoring. The Company receives copies of service provider reports on their own internal controls, including the following:

- the Investment Manager’s Internal Audit and Group Compliance functions perform an annual independent review of its Infrastructure business line operations;
- the Committee discussed reports related to the Investment Manager’s IT framework, focusing on 3i’s cyber maturity and general IT security;

- the nature of 3i’s business means there are no IT critical dependencies for day-to-day operations. Since the last review, 3i’s IT governance, infrastructure and operations have remained stable, with good system performance and stability and no outages or cyber security incidents reported. The Company relies on its service providers to disclose significant cyber-attacks and any potential compromises of Company information;
- the Committee also considered a report on 3i’s European infrastructure team. The review scope included ongoing application of investment procedures, portfolio management processes, progress on sustainability objectives, implementation of sustainability strategies, GHG emissions reporting, and management of the Company’s operating structure. Monitoring of its investment trust status and compliance with AIFMD regulations were also part of the review. The overall opinion on the control environment was unqualified, with no material issues or urgent actions noted;
- a comprehensive review of 3i’s treasury processes took place, revealing no significant findings. Other service areas, such as tax, undergo review on a two-to three-year rotation basis;

# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

- the Company's Registrar provides an annual independent report on its internal controls, specifically covering registrar services. This is completed in accordance with Technical Release AAF 01/20. The report was reviewed by the Board, Company Secretary and Investment Manager. For the year under review, no weakness in controls were identified;
- the Company's Jersey administrator, Aztec, provides an annual report detailing their internal control framework. This report demonstrates their approach to internal controls and risk management processes. Regulated by the JFSC, Aztec must provide the JFSC with an annual directors' declaration regarding any material breaches of the Codes of Practice for Fund Services Business (inclusive of internal systems and controls), audited accounts, auditor opinion, and ISA 260 letter. Aztec received an unqualified ISAE 3402 report during the year. Additionally, they were recently re-certified under ISO 27001. These global assurance standards validate the robustness of Aztec's internal controls and information security, providing assurance to clients; and
- Deloitte provides an audit update report, assessing the design and implementation of key controls it identified.

### Other internal control measures

Aztec assumed the role of the Company's Jersey administrator in December 2022. The Company's Compliance Officer, Money Laundering Reporting Officer and Money Laundering Compliance Officer is an employee of Aztec. At each Audit and Risk Committee meeting, the Compliance Officer presents a compliance report. The Committee evaluates these reports within the context of the delegated investment management and support services, ensuring effective internal controls.

Aztec maintains an annual compliance monitoring plan and shares the results of its tests on the Company with the Committee. No areas of concern were identified during the year.

On the recommendation of the Compliance Officer and the Money Laundering Compliance Officer, the Board approved updates to various manuals and processes during the year:

- Conduct of Business Manual
- Anti-Money Laundering Manual
- Business Risk Assessment
- Customer due diligence process

The Company Secretary informs the Board about updates to policies not covered by the Conduct of Business Manual and Anti-Money Laundering Manual. These policies include the Non-audit services policy, Whistleblowing policy, Treasury policy and 3i Group's Equal opportunities and diversity policy (relevant to the Directors).

The Chair of the Audit and Risk Committee engages periodically with the Compliance Officer and the Investment Manager's Heads of Internal Audit and Compliance. These interactions provide updates on the Investment Manager's internal audit and compliance processes.

As a result of these reviews, the Audit and Risk Committee was able to confirm to the Board that the Company's internal controls were working effectively and no weaknesses or inefficiencies had been identified.

### Other matters

Other specific matters reviewed by the Committee during the year were:

- the Committee's Terms of Reference; and
- the Company's compliance with its regulatory obligations in the UK as a listed entity and in Jersey where it is registered.

This will be my last report as Chair of the Audit and Risk Committee as I have reached the end of my tenure and will be stepping down at the conclusion of the 2024 AGM. I am grateful to the Committee members for their continued constructive support over the past years. I will ensure a smooth transition to Martin Magee, who will be succeeding me as Chair of the Committee, and wish him and the Committee continued success in discharging the responsibilities of the Committee.

**Wendy Dorman**  
Chair, Audit and Risk Committee  
7 May 2024

# Relationship with Investment Manager

## Management Engagement Committee report



Management of the performance of and relationship with the Investment Manager is key to ensuring the continued success of the Company.

**Richard Laing**  
Chair, Management Engagement Committee

The principal function of the Management Engagement Committee is to consider, and recommend to the Board, whether the continued appointment of the Investment Manager is in the best interests of the Company and its shareholders and to give reasons for its recommendation.

Its remit includes managing all aspects of the performance of and relationship with the Investment Manager. The Committee also reviews the terms of the Investment Management Agreement ('IMA').

### Investment Manager

The Investment Manager is responsible for the implementation of the agreed Investment policy and for investment or divestment decisions, subject to the investments or divestments remaining within certain thresholds.

Where the value of investments or divestments is above the agreed threshold, the Board is responsible for approving these transactions.

The Investment Manager keeps the Board regularly updated on the progress of the deal pipeline, and proposed and completed transactions.

The Investment Manager discusses with the Board potential investment opportunities and proposed divestments, whether or not they are within the Investment Manager's delegated authority.

The Investment Manager undertakes origination activities, manages the Company's funding and hedging requirements, and manages funding requirements of the investment portfolio, all of which is governed by the terms of the IMA.

Fees under the IMA consist of a tiered management fee and time weighting of the management fee calculation, a one-off transaction fee of 1.2% payable in respect of new investments, and the payment of a performance fee on a phased basis and subject to future performance tests.



# Relationship with Investment Manager continued

## Management Engagement Committee report continued

The applicable tiered rates are shown in the table below:

Gross investment value	Applicable tier rate
Up to £1.25bn	1.4%
£1.25bn to £2.25bn	1.3%
Above £2.25bn	1.2%

The IMA is terminable on service of 12 months’ notice by either party. Further details on the management and performance fees, and the relationship between the Company, 3i Investments plc and 3i Group are described in more detail in Note 18 in the Financial statements on pages 160 and 161.

During the year, the Committee assessed the overall relationship with the Investment Manager and:

- monitored and reviewed the Investment Manager’s performance against the Company’s strategy and the general market conditions;
- reviewed the quality, timeliness, accuracy and relevance of the information provided to the Board, including recommendations on new investments and divestments and reviews of portfolio company performance;
- reviewed the level of performance of the portfolio relative to the Company’s peer group;

- evaluated the quality and depth of experience of the investment management team;
- reviewed reports from industry analysts, comparing the performance of listed infrastructure investment companies, including an analysis of the terms of their management agreements and fees charged relative to their investment objectives;
- reviewed the fees charged to the Company by the Investment Manager for the provision of its management services; and
- reviewed non-investment services provided by the Investment Manager.

Following its assessment, and based on the continued good performance of the Investment Manager, the Committee recommended to the Board, and the Board agreed, that the continued appointment of the Investment Manager on the terms set out in Note 18 in the Financial statements on pages 160 and 161 is in the interest of the Company and its shareholders as a whole.

**Richard Laing**  
Chair, Management Engagement Committee  
7 May 2024

# Remuneration

## Remuneration Committee report



The fee structure for non-executive Directors should be transparent and reflect the complexity of the Company and the demands placed on the Directors.

**Stephanie Hazell**  
Chair, Remuneration Committee

It is the responsibility of the Remuneration Committee to recommend to the Board a policy for non-executive Director remuneration, to monitor its implementation and to ensure that all payments to non-executive Directors are made in accordance with the agreed policy.

### Remuneration policy

The Company's policy is that smaller, incremental increases to non-executive Director fees is a preferable approach to adjusting fees, rather than larger increases at longer frequencies.

The remuneration of each of the Directors is subject to fixed fee arrangements, and none of the Directors received any additional remuneration or incentives in respect of their services as a Director of the Company.

During the year, the Remuneration Committee reviewed the current level of the Directors' fees, taking account of the challenges in the global macroenvironment, inflation, the impact of an increasingly complex regulatory environment on

Directors, and time spent, including but not limited to, attendance at meetings, Board calls with the Investment Manager, the strategy sessions and attending ad hoc meetings.

The Committee also reviewed internal and external benchmarking reports on Director remuneration for FTSE 250 companies and, in particular, investment trusts.

After careful consideration of all evidence from its review, the Committee recommended to the Board that the fees for Directors, the Chair, the Chair of the Audit and Risk Committee and the Senior Independent Director be increased as set out below. This was subsequently approved by the Board to take effect from 1 April 2024.

The Directors' fees for the financial year to 31 March 2024 and fee increases from 1 April 2024 are as follows:

	Amount per annum to be paid from 1 April 2024 £	Amount paid in the year ended 31 March 2024 £	Amount paid in the year ended 31 March 2023 £
<b>Directors' fees</b>			
Richard Laing	135,000	<b>130,000</b>	124,000
Doug Bannister	52,000	<b>50,000</b>	47,500
Wendy Dorman	64,500	<b>62,000</b>	58,500
Stephanie Hazell	60,250	<b>55,641</b>	23,750
Samantha Hoe-Richardson	52,000	<b>50,000</b>	47,500
Jennifer Dunstan <sup>1,2</sup>	52,000	<b>34,872</b>	N/A
Martin Magee <sup>1</sup>	52,000	<b>34,872</b>	N/A
Ian Lobley <sup>2,3</sup>	N/A	<b>15,128</b>	47,500
Paul Masterton <sup>3</sup>	N/A	<b>17,623</b>	55,000

<sup>1</sup> Appointed with effect from 20 July 2023.

<sup>2</sup> Fee payable to 3i plc.

<sup>3</sup> Retired with effect from 20 July 2023.

### Stephanie Hazell

Chair, Remuneration Committee  
7 May 2024

# Additional statutory and corporate governance information

## Principal activity

The Company is a closed-ended UK investment trust that invests in infrastructure businesses and assets. The Directors do not anticipate any change in the principal activity of the Company in the foreseeable future. Its unconsolidated subsidiaries are shown in Note 19 in the Financial statements on pages 162 to 169.

## Investment trust status

The Company is a UK-approved investment trust. The affairs of the Company are directed to enable it to maintain its UK tax domicile and its approved investment trust company status, which it did during the course of the year. This is managed on an ongoing basis by the Investment Manager and monitored by the Audit and Risk Committee.

## Corporate governance

The Company is committed to upholding the highest standards of corporate governance. The Company observes the requirements of the AIC Code, a copy of which is available from the AIC website at [www.theaic.co.uk](http://www.theaic.co.uk). The provisions of the AIC Code are more appropriate for a closed-ended investment trust than the UK Code because, amongst other things, it has no executive directors and no employees. The AIC website includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies. The Company complied with all the provisions of the AIC Code for the financial year ended 31 March 2024. See page 78 for the Company’s statement of compliance with the AIC Code.

## Directors’ duties

Details of compliance by Directors with their Directors’ duties are set out on page 75.

## Appointment and re-election of Directors

The appointment and re-election of Directors is governed by the Articles, the Companies (Jersey) Law 1991 and related legislation. The Articles provide that, at each AGM of the Company, all the Directors at the date of notice convening the AGM shall retire from office, and each Director may offer themselves for election or re-election. In addition, under the AIC Code, all Directors should be subject to annual election by shareholders. As a result, all Directors will retire and, other than Wendy Dorman and Samantha Hoe-Richardson who are retiring at the AGM, will stand for election or re-election at the next AGM to be held on 4 July 2024. The Board regularly considers the independence of non-executive Directors as detailed on page 93.

## Board’s responsibilities and processes

The composition of the Board and its Committees, as well as the Board’s key responsibilities and the way that it and its Committees work, are described on pages 85 to 87.

The Board is responsible to shareholders for the overall management of the Company and may exercise all the powers of the Company subject to the provisions of relevant statutes, the Articles and any directions given by special resolution of the shareholders.

## Matters reserved for the Board

The Board has approved a formal Schedule of Matters Reserved to it and its duly authorised Committees for decision, as detailed on page 86.

## Portfolio management and voting policy

In relation to unquoted investments, the Company’s approach is to seek to add value to the businesses in which it invests through the extensive experience, resources and contacts of the Investment Manager’s team. In relation to quoted equity investments, the Company’s policy is to exercise voting rights on matters affecting the interests of the Company.



# Additional statutory and corporate governance information continued

## Regulation

The Company is incorporated in Jersey and is regulated by the Jersey Financial Services Commission as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988. It has a Premium Listing on the London Stock Exchange’s Main Market.

## Alternative Investment Fund Managers Directive

For the purposes of the Alternative Investment Fund Managers Regulations 2013 (the ‘Regulations’) and the EU Alternative Investment Fund Managers Directive, the Company is an alternative investment fund (‘AIF’). The Investment Manager is approved as an Alternative Investment Fund Manager (‘AIFM’) by the FCA for the purposes of the Regulations, and is the Company’s AIFM. The Depositary is Citibank UK Limited.

The Investment Manager is a subsidiary of 3i Group and the Remuneration policy of 3i Group (which applies to the Investment Manager) was last approved by 3i Group’s shareholders in 2023. Details of the Remuneration policy are set out in the 3i Group Annual report and accounts for 2023.

The disclosures required by the Investment Manager as an AIFM are contained in the Annual report and accounts of 3i Group ([www.3i.com](http://www.3i.com)). These disclosures include the remuneration (fixed and variable) of all staff and all AIFM Identified Staff of the Investment Manager. Due to 3i Group’s operational structure, the information needed to provide a further breakdown of remuneration attributable to the staff and the AIFM Identified Staff of the Investment Manager as the Company’s AIFM, is not readily available and would not be relevant or reliable.

Although certain investor disclosures required by the FCA’s Investment Funds sourcebook are made in this Annual report, further disclosures are summarised on the Company’s website at [www.3i-infrastructure.com](http://www.3i-infrastructure.com). There have been no material changes to these disclosures during the financial year.

In accordance with Part 5 of the Regulations and the relevant requirements of the EU Alternative Investment Fund Managers Directive, the Investment Manager, as an AIFM, requires all relevant controlled portfolio companies to make available to employees an annual report which meets the applicable disclosure requirements.

These are available either on the portfolio company’s website or through filing with the relevant local authorities.

## NMPI

As a UK investment trust, the Company’s shares are excluded from the FCA rules regarding the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes (‘non-mainstream pooled investments’, or ‘NMPIs’) and therefore the restrictions relating to NMPIs do not apply to its shares. It is the Board’s intention that the Company will continue to conduct its affairs in such a manner that it maintains its approved investment trust company status and that, accordingly, the Company’s shares will continue to be excluded from the FCA’s rules relating to NMPIs.

## Results and dividends

The Directors recommend that a final dividend of 5.95 pence per share (2023: 5.575 pence per share) be paid in respect of the year to 31 March 2024 to shareholders on the register at the close of business on 14 June 2024. The Company has chosen to designate 3.20 pence of its final dividend as an interest distribution.

The distribution of the dividend payments between interim and final dividends is evaluated by the Board each year, according to the Company’s performance, portfolio income generation and other factors, such as profits generated on the realisation of portfolio assets. The Company will be targeting a dividend for FY25 of 12.65 pence per share.



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# Additional statutory and corporate governance information continued

## Operations and management arrangements

Details of the role and responsibilities of the Investment Manager under the Investment Management Agreement are set out in the Management Engagement Committee report on pages 104 and 105.

## Other significant service arrangements

In addition to the investment management arrangements, 3i plc and 3i Investments plc (both subsidiaries of 3i Group plc), in relation to certain regulatory services, have been appointed by the Company to provide support services, including treasury and accounting services, investor relations and other support services. The amounts payable under these arrangements are described in more detail in Note 18 in the Financial statements on pages 160 and 161.

3i plc acts as Company Secretary to the Company, and Aztec Financial Services (Jersey) Limited acts as the Company's Jersey fund administrator, which includes provision of the Company's Compliance Officer, Money Laundering Compliance Officer and Money Laundering Reporting Officer.

## Revolving credit facility

The Company has a £900 million RCF in order to maintain a good level of liquidity for further investment whilst minimising returns dilution from holding excessive cash balances. In September 2023, the RCF maturity date was extended by a year to November 2026 with no changes to terms. The RCF has a margin of 1.5% and a non-utilisation fee.

The facility is a sustainability-linked RCF. It includes stretching targets across ESG themes aligned with the Company's purpose. Performance against these targets will adjust the margin for the subsequent year.

## Share capital

The issued share capital of the Company as at 31 March 2024 was 922,350,000 ordinary shares (2023: 922,350,000). The Company does not hold any ordinary shares in treasury.

## Major interests in ordinary shares

As at 31 March 2024 and 30 April 2024, the Company has received notification in accordance with Chapter 5 of the FCA's Disclosure Guidance and Transparency Rules of the following notifiable interests in the voting rights in the Company's ordinary share capital:

Interest in ordinary shares	Number of ordinary shares <sup>1</sup> as at 31 March 2024	% of issued share capital	Number of ordinary shares <sup>1</sup> as at 30 April 2024	% of issued share capital
3i Group plc (and subsidiaries)	269,242,685	29.19%	269,242,685	29.19%
Schroders plc	55,293,434	5.99%	54,852,821	5.95%

1 Each ordinary share carries the right to one vote.

## Directors' shareholding and share interests

Details of Directors' interests (including interests of their closely associated persons) in the Company's shares as at 31 March 2024\* are shown in the table below.

Directors' interests and beneficial interests	Ordinary shares at 31 March 2024	Ordinary shares at 31 March 2023
Richard Laing	43,035	35,000
Doug Bannister	20,000	20,000
Wendy Dorman	28,294	28,294
Stephanie Hazell	6,420	6,420
Samantha Hoe-Richardson	2,839	2,839
Martin Magee	9,242	0
Jennifer Dunstan	0	0

\* There have been no changes in Directors' shareholding and share interests since 31 March 2024.

# Additional statutory and corporate governance information continued

## Directors' authority to buy back shares

The Company did not purchase any of its own shares during the year. The current authority of the Company to make market purchases of up to 14.99% of the issued ordinary share capital expires at the 2024 AGM. The Company will seek to renew such authority until the end of the AGM in 2025, specifying the maximum and minimum price at which shares can be bought back. Any buy back of ordinary shares will be made in accordance with Jersey law, and the making and timing of any buy backs will be at the discretion of the Directors. Such purchases will also only be made in accordance with the Listing Rules of the FCA, which provide that the price paid must not be more than the higher of: (i) 5% above the average middle market quotations for the ordinary shares for the five business days before the shares are purchased; and (ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange at such time.

## Directors' indemnities

The Articles provide that, subject to the provisions of the Statutes, every Director of the Company shall be indemnified out of the assets of the Company against all liabilities and expenses incurred by him or her in the actual or purported execution or discharge of his or her duties. 'Statutes' here refers to the Companies (Jersey) Law 1991 and every other statute, regulation or order for the time being in force concerning companies registered under the Companies (Jersey) Law 1991.

In addition, the Company has entered into indemnity agreements for the benefit of its Directors and these remain in force at the date of this report. The Company also had directors' and officers' liability insurance in place in the year.

## Political donations

During the year to 31 March 2024, no donations were made to political parties or organisations, or independent election candidates and no political expenditure was incurred.

## Information included in the Strategic report

The Strategic report on pages 1 to 75 provides a review of the performance and position of the Company, together with a description of the principal risks and uncertainties that it faces. Furthermore, the Strategic report includes: the Company's risk management objectives and policies; likely future developments of the business; greenhouse gas emissions; and the s172 statement. The Directors' Resilience statement is also shown in the Strategic report on page 72.

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual report and accounts in accordance with applicable law and regulations and those International Financial Reporting Standards ('IFRS') which have been adopted by the UK.

As a company listed on the London Stock Exchange's Main Market, 3i Infrastructure plc is subject to the FCA's Listing Rules and Disclosure Guidance and Transparency Rules, as well as to all applicable laws and regulations of Jersey, where it is incorporated.

Jersey company law requires the Directors to prepare financial statements for each financial period in accordance with generally accepted accounting principles. The Financial statements of the Company are required by law to give a true and fair view of the state of affairs of the Company at the period end, and of the profit or loss of the Company for the period then ended.

In preparing these Financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- prepare the Financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

# Additional statutory and corporate governance information continued

The Directors are responsible for keeping accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company's Financial statements comply with the requirements of the Companies (Jersey) Law 1991.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Annual report and accounts and the Directors confirm that they consider that, taken as a whole, the Annual report and accounts are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a director to make him or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

In accordance with the FCA's Disclosure Guidance and Transparency Rules, the Directors confirm to the best of their knowledge that:

- the Financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole; and
- the Annual report and accounts includes a fair review of the development and performance of the business and the position of the Company taken as a whole, together with a description of the principal risks and uncertainties faced by the Company.

The Directors of the Company and their functions are listed on pages 80 and 81 and pages 85 to 88.

The Directors have acknowledged their responsibilities in relation to the Financial statements for the year to 31 March 2024.

By order of the Board

**Authorised signatory**

**3i plc**  
Company Secretary  
7 May 2024

**Registered Office:**  
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