

# Governance





# Introduction to Governance continued

Both the Covid-19 pandemic and the current volatile market environment have reinforced the importance of established governance principles, along with having a clear purpose and values aligned with our strategy.

The following pages of this report provide an insight into the activities of the Board and Committees over the year and how corporate governance underpins and supports our business and the decisions we make. Market conditions, including economic and political uncertainty, are challenging, but the Board is well-positioned to support the Investment Manager in generating value for the Company from its portfolio.

I am grateful to my fellow Board members for their continued support and commitment and to the Investment Manager for implementing our effective corporate governance framework and working on executing our purpose.

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

## Compliance with the AIC Code

The Board has considered the principles and provisions of the AIC Code of Corporate Governance (the 'AIC Code'), which addresses 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, therefore, provides more appropriate information to 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), in so far 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 of investing responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive influence on our portfolio companies and their stakeholders.

[Read more](#)  
Pages 86 to 98

## 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, supported by both strong governance arrangements and the work of the Investment Manager.

[Read more](#)  
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## 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 100 to 105

## Audit, Risk and Internal Control

The Audit and Risk Committee, supported by the Investment Manager and other key stakeholders, identifies potential risks and how best to mitigate them. The Audit and Risk Committee is appointed to oversee this process on behalf of the Board.

[Read more](#)  
Pages 106 to 112

## Remuneration

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

[Read more](#)  
Page 115



# 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
- Non-executive Director of JP Morgan Emerging Markets Investment Trust plc
- Trustee and Deputy Chair of Leeds Castle Foundation

#### Past roles

- 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 ('PwC')

### Independent non-executive Directors

#### Paul Masterton

Senior Independent Director

Appointed April 2013. Chair of the Remuneration Committee and member of the Audit and Risk, Management Engagement, Nomination, and Disclosure Committees. Jersey resident.

#### Skills and experience contributing to the Board

- Extensive experience in leading and developing large companies, and of mergers and acquisitions
- Particularly experienced from an international business perspective, having worked in the USA, Europe and Asia
- Knowledge of digital technology through chairing and leading the formation of Digital Jersey
- Deep experience as a non-executive director, including board governance and remuneration
- Leadership and team development, including coaching and mentoring
- Focus on corporate social responsibility

#### Current roles

- Chair of Insurance Corporation CI
- Chair of States of Jersey Development Company
- Senior Independent Director of Jersey Competition & Regulatory Authority
- Trustee of Digital Jersey
- Chair of Governors for Jersey College of Higher Education and University of Jersey

#### Past roles

- Over 25 years at RR Donnelley, including as president of company's businesses in Europe, Russia and India
- Chief Executive of Durrell Wildlife Conservation Trust

#### 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' 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



# Board leadership and purpose continued

## Board of Directors continued

### Independent non-executive 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' 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

##### Past roles

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

#### 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' 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 Kew Soda Ltd

##### 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

#### Stephanie Hazell

Appointed September 2022. Member of the Audit and Risk, Management Engagement, Remuneration, 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 Atlasconnect Limited
- Non-executive Director of Neos Networks Limited
- Non-executive Director of North Sea Midstream Partners Limited (Jersey)
- Non-executive Director of NNXYZ Limited
- Non-executive Director of Open Utility Limited (Piclo)
- Non-executive Director of Renew Holdings plc
- Advisory Board Member for Shell New Energy

##### Past roles

- Director, Strategy and Corporate Development, ExCo Member of National Grid
- Principal Consultant, Telecoms and Media at PwC
- Various senior positions at Virgin Management
- Various senior positions at Orange Group

### Non-executive Director

#### Ian Lobley

Appointed May 2014 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 the portfolio
- Extensive knowledge of ESG matters
- Experienced non-executive Director across sectors, continents and ownership models
- Significant experience, as an investor and engineer, of disruptive technologies across multiple end markets

##### Current roles

- 3i Group Managing Partner – Asset Management
- Non-executive Director of AES Engineering Ltd
- Non-executive Director of Cirtec Medical Holdco LLC
- Senior Independent Director of BSI Group
- Non-executive Director of Tato Holdings Ltd

##### Past roles

- Long-term member of 3i Group plc Investment Committee
- Active investor and experienced board member in a variety of companies across Europe, Asia and the USA
- Leadership of technology investing and portfolio management activities
- Engineer at BOC Speciality Gases
- Non-executive Director of Boketto Holdco Limited (Audley Travel)







# Board leadership and purpose continued

## Investment Management team continued

### Partners

#### John Cavill

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

##### Current roles

- Non-executive Director of SRL Traffic Systems
- Leads the assets management activity for the Projects portfolio
- Responsible for setting the strategy oversight of asset management activities
- Oversees the implementation of value protection and enhancement activities, and performance reporting

##### Past roles

- Non-executive Director of WIG and XLT
- Director at Barclays Infrastructure, St Modwen Properties plc, Land Securities Trillium and Vinci Investments

#### 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 the Oystercatcher European terminals
- Non-executive Director of Joulz, Attero and Advario Singapore

##### Past roles

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

#### Anna Dellis

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

##### Current roles

- Leads asset management for the portfolio of economic infrastructure investments
- Led the successful exit of Oystercatcher's investments in Advario terminals in Amsterdam, Terneuzen, Ghent and Malta
- Non-executive Director of Advario Singapore
- Focused on new deals over the period 2006–2017, prior to assuming current portfolio focus

##### 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 relation and fundraising efforts 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

#### Stéphane Grandguillaume

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

##### Current roles

- Leads 3i's Infrastructure business in France
- Responsible for origination, execution and fundraising in relation to project opportunities across Europe
- Non-executive Director of Valorem and Ionisos

##### Past roles

- Headed Barclays Infrastructure in Paris
- Headed Egis Investment Partners

#### 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 and WIG
- Non-executive Director of Infinis

##### Past roles

- Financial restructuring at Houlihan Lokey



# 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.

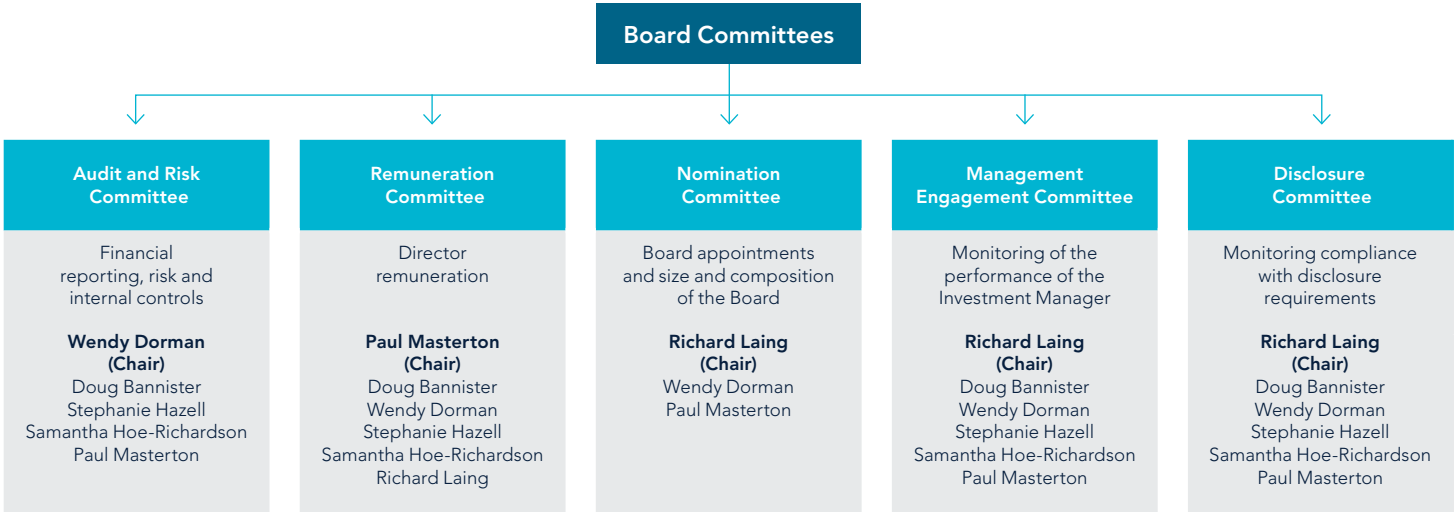
The Chair is responsible for the leadership of the Board and ensuring its effectiveness. In addition to the Chair, there are currently five independent non-executive Directors and one 3i Group nominated Director, who is not considered independent. The Board’s core values of Integrity, Accountability, Objectivity and Legacy 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



# Board leadership and purpose continued

## 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 seven additional ad-hoc Board meetings arranged at short notice to consider time-critical matters such as the refinancing of the Company’s RCF and the equity issuance completed in February 2023.

The Board also held a Strategy Day (in addition to strategic matters which are considered at every Board meeting) where the Board worked with the Investment Manager to consider in more detail matters of a strategic or wide-ranging nature. The Board also has regular update calls with the Investment Manager in order to stay informed of the activities of the Investment Manager between Board meetings.

## 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)	*	1 (1)	3 (3)	2 (2)
Doug Bannister	6 (6)	2 (3)	1 (1)	–	2 (2)
Wendy Dorman	6 (6)	3 (3)	1 (1)	3 (3)	2 (2)
Stephanie Hazell**	3 (3)	2 (2)	1 (1)	–	1 (1)
Samantha Hoe-Richardson	6 (6)	3 (3)	1 (1)	–	2 (2)
Ian Lobley	5 (6)	*	–	–	–
Paul Masterton	6 (6)	3 (3)	1 (1)	3 (3)	2 (2)

\* Richard Laing and Ian Lobley attend the Audit and Risk Committee meetings by invitation.  
 \*\* Stephanie Hazell was appointed effective 29 September 2022.

The table above indicates the number of meetings attended and, in brackets, the number of meetings the Director was eligible to attend. Non-attendance at meetings was due to unavoidable prior commitments or illness. 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. This was particularly the case during the non pre-emptive capital raise when careful consideration was given at all appropriate moments as to whether the Company was in possession of price-sensitive information and if so, what steps should be taken.





## Who and why?

### Shareholders

Understanding the views of investors enables the Company to take account of such views when developing future strategy. It is vital for the success of the Company to have the support of its shareholders.

## How?

The Investment Manager and the Company's brokers complete a programme of investor relations activities throughout the year, including an annual Capital Markets Event. This programme provides existing and potential investors with relevant information to enable them to understand the Company's activities, strategy and financial performance.

An analysis of the Company's shareholder register is provided to the Directors at each Board meeting along with updates on any investor engagement activities or direct/indirect communication with investors. Reports from the Company's brokers are submitted to the Board on investor sentiment and industry issues.

The Chair and the Chairs of all Committees are available to meet with investors when requested. The Capital Markets Event provides an additional opportunity for the Chair and Chair of the Audit and Risk Committee to engage with shareholders.

The Company uses its AGM as an opportunity to communicate with its shareholders and all Directors are available to answer questions from shareholders.

The Company's website provides details of forthcoming events for shareholders and analysts. In addition, videos of results presentations, presentations from the Capital Markets Event and portfolio activities are on the Company's website, which all shareholders can access and view.

Individual shareholders are encouraged to engage with the Company and provide feedback through the Investor Relations team, who can be contacted at [Thomas.fodor@3i.com](mailto:Thomas.fodor@3i.com) or by telephone on +44 (0)20 7975 3469.

## Key decisions and areas of focus affecting stakeholders Outcomes

Liquidity management, including refinancing the RCF.  
Approval of the non pre-emptive capital raise.  
Approval of Financial statements.  
Approval of interim and final dividend.  
Strategy in the context of the external economic and political environment.

The Board balances the desire for consistent shareholder returns against the financial needs of the Company to promote long-term sustainable growth. See the Chair's statement on page 5 for further discussion on our commitment to our shareholders to deliver long-term sustainable returns.

The Board considered the Company's overall balance sheet strategy along with the terms of the RCF and the additional credit facility. Having appropriate levels of liquidity available supports the Company in delivering on its purpose for the benefit of all stakeholders. Further discussion on the RCF can be found in the Financial review on page 64.

The Board considered that it was appropriate to raise capital in the market in order to pay down RCF drawings and provide liquidity to fund potential pipeline investments to support further growth of the Company. For further details of the results of the capital raise, please see page 64 of the Financial review.

Ensuring that the presentation of the Financial statements provides shareholders with a fair and balanced view of the Company's performance, strategy and operations.

Oversight of risk management, the principal risks and mitigations and the internal control framework operates to protect shareholder investment. See the Risk Report on page 68 and the Audit and Risk Committee report on page 106 for further information on risk management and controls.

Who and why?	How?	Key decisions and areas of focus affecting stakeholders	Outcomes
<p><b>Investment Manager</b> The Company's principal supplier is the Investment Manager, who is responsible for managing the Company's assets in order to achieve its stated investment objective.</p> <p>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.</p>	<p>At each Board and Audit and Risk Committee meeting, representatives from the Investment Manager present verbal and written reports covering their activity, portfolio and investment performance over the preceding period. The Board also has regular scheduled update calls with the Investment Manager between Board meetings. The Board and the Investment Manager operate in a supportive, co-operative and open environment.</p> <p>The relationship with, and the performance of, the Investment Manager is monitored by the Management Engagement Committee. For further details see pages 113 and 114.</p>	<p>Assessed the performance of, and considered the continued appointment of, the Investment Manager.</p>	<p>A mutually beneficial relationship promotes the long-term success of the Company. Engagement with the Company's Investment Manager is necessary to evaluate their performance against the Company's stated strategy and to understand any risks or opportunities this may present.</p> <p>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>
<p><b>Other professional advisers and service providers</b> 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.</p>	<p>The key third-party professional advisers and service providers work closely day-to-day with the Investment Manager. This interaction provides an environment where issues can be dealt with efficiently. On an annual basis, the Board reviews both the arrangements that are in place with all key third-party service providers and monitors their performance. In particular, the Audit and Risk Committee reviews the performance and services provided by the external auditor and the Jersey administrator. Key service providers attend Board and Committee meetings as appropriate to advise the Board on specific matters.</p> <p>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. The Investment Manager meets regularly with the brokers who keep them up to date on both wider financial market-related matters. This year the brokers have provided specific advice to the Board and the Investment Manager on the Company's access to liquidity.</p> <p>The Jersey administrator attends one Audit and Risk Committee meeting per year in person (the rest are attended via video conference) and presents its compliance report at each such Committee meeting.</p> <p>See the Audit and Risk Committee report on page 106 for further discussion on the annual review of professional service providers, including the Jersey administrator.</p>	<p>Performed an annual review of the performance, 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.</p> <p>The Board appointed a new Jersey administrator following a review of service levels and requirements.</p>	<p>The work of the key professional advisers and third-party service providers ensures compliance by the Company with its legal and regulatory obligations in addition to the maintenance of the Company's reputation and high standards of business conduct.</p> <p>The brokers promote the Company as an attractive investment trust and work to ensure liquidity in the Company's shares.</p> <p>The Company's Jersey administrator provides effective Jersey compliance services through the provision of a dedicated Money Laundering Reporting Officer, Money Laundering Compliance Officer and Compliance Officer.</p>

Who and why?	How?	Key decisions and areas of focus affecting stakeholders	Outcomes
<p><b>Portfolio companies</b> The companies in which we invest are the source of returns to shareholders. We drive value through our engaged asset management approach as detailed in our Business model (see pages 9 to 13).</p>	<p>The principal engagement with portfolio companies is through the Investment Manager's team. One or more of its 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.</p>	<p>At each scheduled Board meeting the Board reviews the portfolio company performance and discusses thematic issues that affect portfolio companies such as the impact of macroeconomic risks. See also the Risk report on page 68 for further information on the Board's oversight of the risks and opportunities affecting portfolio companies.</p>	<p>The engagement enhances the value of the portfolio companies for the benefit of their, and our, stakeholders.</p>
<p><b>Government and regulatory bodies</b> Being a UK listed and Jersey registered Company, the Board views compliance with regulations as of the utmost importance.</p>	<p>The Company works in a regulated environment and, through the Jersey administrator, the Company engages with the Jersey regulators to ensure compliance with Jersey law and regulation. In addition, the Company adheres to the AIC Code and so engages with the AIC on matters related to corporate governance.</p> <p>As a UK listed company the Company Secretary ensures ongoing compliance with the FCA's Listing Rules and Disclosure Guidance and Transparency Rules.</p> <p>Through the Investment Manager, the Company responds to government consultations on issues relevant to its business.</p>	<p>The Board considers reports from the Company Secretary, advisers, the Jersey administrator and the Investment Manager on legal and regulatory developments affecting the Company. In this context the Board undertakes an annual review and approval process for its Schedule of Matters Reserved for the Board and the Terms of Reference of its Committees to ensure that they remain fit for purpose and adhere to best practice.</p>	<p>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>
<p><b>Lenders and hedging counterparties</b> The Company requires access to bank borrowing to maintain its financial structure and liquidity.</p>	<p>The Investment Manager's treasury team manages the engagement with the lenders in the Company's RCF and the Company's hedge counterparties. This year, with the support of its lenders, the Company was able to refinance and extend its existing RCF on favourable terms to support the acquisition pipeline. For further details see page 118.</p>	<p>The Board held two ad-hoc meetings to discuss in detail the refinancing of the RCF prior to providing its approval.</p> <p>Foreign exchange hedging is discussed at the annual treasury update given to the Board.</p>	<p>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> <p>Access to hedge counterparties allows the Company to mitigate foreign exchange risk.</p>
<p><b>Communities</b> The Company is committed to contributing positively to the communities in which it operates and details of this are contained in the Sustainability report on pages 46 to 56.</p>	<p>Engagement is primarily via the Investment Manager. One or more of its 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.</p>	<p>Strong sustainable performance by portfolio companies benefits their stakeholders and the communities in which they operate. During the year, the Board discussed ESG reporting requirements including those under the TCFD framework. For further details see the Sustainability report on page 46.</p>	<p>By investing in, developing and actively managing infrastructure assets, we foster growth and aim to provide a positive benefit to the communities in which our portfolio companies operate and the customers they serve.</p> <p>We are able to use our position as a shareholder in the businesses we own to influence and support management to operate responsibly.</p>

# Division of responsibilities

The Board is the principal decision-making body of the Company with authority for specific matters being delegated to Committees of the Board. 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. Each Committee Chair provides regular reports to the Board on the matters covered at each Committee meeting. The Terms of Reference clearly set out the remit and decision-making powers for each of the Board’s Committees, are reviewed annually by the Board and are available to view on the Company’s website. Matters and decisions that require Board approval and which cannot be delegated are set out in a formal Schedule of Matters Reserved to the Board, which is reviewed annually.

To ensure 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, Paul Masterton:</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 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 re-election of all current Directors will be proposed at the forthcoming 2023 AGM.

The Company’s policy on Director tenure is that a Director should normally serve no longer than nine years on the Board but, where it is in the best interests of the Company, its shareholders and stakeholders, the Board may approve a Director serving for a longer tenure. In such instances the Board will provide a clear explanation in the Annual report as to their reasoning. For further information see the Nomination Committee report on pages 102 to 105.

# Composition, succession and evaluation

## Composition and succession

The Board currently consists of seven members, comprising the Chair, five independent non-executive Directors and one non-executive Director who is the 3i nominated Director and not considered to be independent. Biographies of the Directors are set out on pages 87 and 88. The Board considers that there is an appropriate balance of skills, experience and independence on the Board to enable it to discharge its duties.

The Nomination Committee oversees the process of appointments and succession planning of non-executive Directors. 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. Further information is set out in the Nomination Committee report on pages 102 to 105.

## 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 Ian Lobley, 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 103 of the Nominations Committee report for further information.

Ian Lobley, 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 himself when matters in which 3i Group has an interest are discussed. Ian Lobley is not a member of the Management Engagement Committee and so 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 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, the Audit and Risk Committee and the Chair was conducted with the support of the Company Secretary following the externally facilitated review of 2022.

As an action from the external review of FY22, the Board held a workshop led by Satori, the external facilitator, to further articulate and consider the Board's purpose and values in the context of the Company's strategic objectives. This year's evaluation included a review of the effectiveness of the workshop and the outcome of the previous year's evaluation. Satori has no connection with the Company.



# Composition, succession and evaluation continued

All Directors and the Investment Manager completed a confidential questionnaire, which was similar to questionnaires used in the past to ensure a comprehensive review and provide assurance on progress against actions. Anonymised reports were subsequently prepared by the Company Secretary and presented to the Board for consideration. The Board had an extensive discussion to identify progress made and further actions to be taken. Each of the Chair and Audit Committee Chair excused themselves from the meeting when their performance was discussed.

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

## 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, the Company’s policies, meetings with the wider Investment Management team, external advisers, briefings and reading materials.

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, such as the Company’s auditors, 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, tax matters, fund raising, 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. Furthermore, training and development needs are reviewed annually as part of the Board evaluation process.

<b>Progress since 2022 evaluation</b>	<ul style="list-style-type: none"> <li>• The Board participated in a workshop on Board purpose and Board values</li> <li>• The Board is devoting more time to strategic matters during meetings and prioritising strategic topics on meeting agendas</li> <li>• The succession of the Investment Manager’s Managing Partners and the relationship with the new Managing Partners were managed effectively by the Chair and the Board as a whole</li> </ul>
<b>Actions for the coming year</b>	<ul style="list-style-type: none"> <li>• Funding and liquidity planning would continue being an area of focus</li> <li>• The Nomination Committee and the Board should focus on succession planning, especially in relation to ethnic diversity on the Board</li> <li>• Refreshing the training and development framework for Directors</li> </ul>

# Composition, succession and evaluation continued

## Nomination Committee report



During the year we continued our focus on succession planning for our non-executive Directors, keeping in mind the skills and experience required to support the Company's strategic objectives."

Richard Laing  
Chair, Nomination Committee

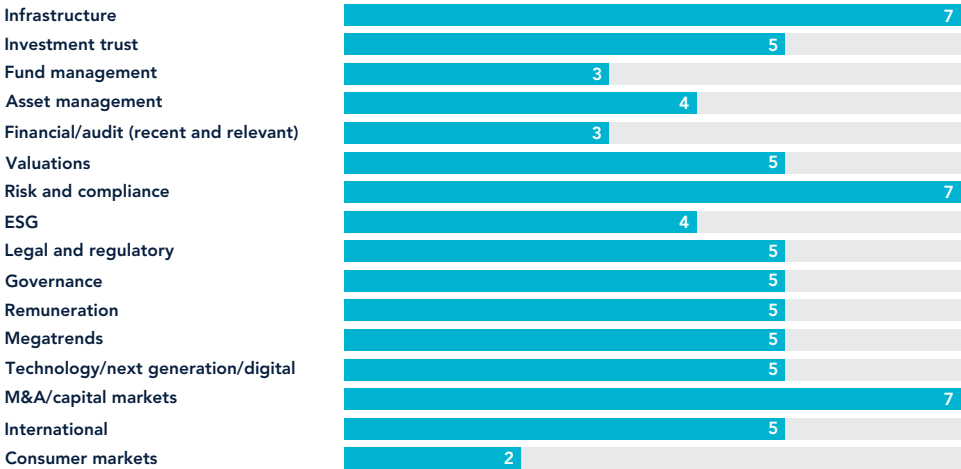
### Role of the Committee

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 which 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.

Details of each of the Director's skills and experience which contribute to the effective functioning of the Board and the success of the Company can be found in their biographies on pages 87 and 88 and in the Skills Matrix below.

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 perceived current and future challenges facing the Company and the tenure of all Directors. The review identified that it would be in the interest of the Company to appoint an additional independent non-executive Director with broad industry experience to the Board. The Committee appointed Odgers Berndtson, an independent executive search and leadership consulting firm with no connection to the Company or any of its Directors, to support the search for candidates. Following an extensive search, Odgers Berndtson proposed candidates from as diverse a pool of candidates as possible given the nature, responsibilities and skills required for the role. The Board was delighted that the exercise resulted in the appointment of Stephanie Hazell, who joined the Board in September 2022.

In order to facilitate the succession planning process, the Nomination Committee recommended the Directors' appointment letters be updated to incorporate provisions 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.

# Composition, succession and evaluation continued

## Nomination Committee report continued

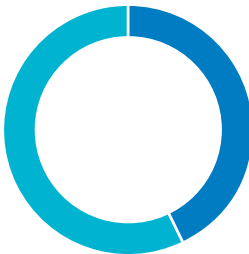
The Board has agreed a maximum term for any Director of nine years, subject to any exceptional circumstances that might arise at the relevant time.

Given that the Company was considering moving its domicile to the UK, as reported last year, the Board had asked Paul Masterton to remain on the Board for an additional year whilst it awaited the outcome of the UK government’s consultation on UK Corporate Redomiciliation.

In considering Paul’s status as an independent non-executive Director, the Committee concluded that there were no circumstances which were likely to impact, or could appear to impact, his independence and he was considered to remain an independent director.

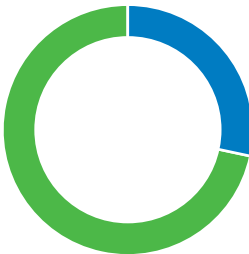
The Committee has started the process to recruit a successor for Paul. In addition, 3i Group will, in accordance with the terms of the relationship agreement between 3i Group and the Company, nominate a successor to Ian Loble (who has now served on the Board for nine years) later in 2023.

Board members by gender



Female (43%)	3
Male (57%)	4

Non-executive Directors’ tenure



0–3 years	2
4–6 years	0
7+ years	5

### Diversity

The Board has adopted 3i Group’s Equal Opportunities and Diversity policy in so far 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 graph below, this commitment has led to improved gender diversity on the Board and has already achieved the target set by the FTSE Women Leaders Review of having 40% of FTSE 350 board roles filled by women by 2025.

The Board supports the targets set by the Parker Review for FTSE 250 Boards to have at least one Board member from an ethnic minority background by 2024 and is working towards achieving this target despite the complexities that it has faced in this regard. The Board is disappointed that it does not yet meet the Parker Review target, however, this does not fairly reflect the Board’s commitment to diversity.

The Board, with the Committee’s support, continues to take practical and purposeful steps towards enhancing the Board’s diversity.

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 would be required to fulfil on Committees. This presents a particular challenging and sometimes conflicting set of requirements to adhere to and which the Board has been working towards overcoming.

In November 2022, the Association of Investment Companies published an article setting out the significant challenges faced by Jersey registered, UK Listed companies due to the Jersey law requirement of having two Jersey-resident Directors on its boards.

The limited diverse candidate pool for Jersey resident directors and the ongoing issues on overboarding mean that there is a conflict between the Jersey and UK regulatory expectations, especially in relation to the UK Listing Rule requirements for reporting on diversity.

# Composition, succession and evaluation continued

## Nomination Committee report continued

The Company has been in discussion with the Jersey Financial Services Commission ('JFSC') regarding its succession plans and the challenges it faces in satisfying the requirement for two Jersey resident directors. During FY24 the Board will formally request the JFSC to grant the Company a variance to the requirement of having two Jersey resident Directors on the Board. If granted, this would allow the Nomination Committee to conduct future searches for directors in a geographically wider area, leading to a more diverse pool of candidates from which to select.

The Parker Review update report published in March 2023 also noted that many investment trusts are based outside mainland Great Britain (eg. in the Channel Islands) where there are fewer residents from ethnic minorities and their boards often have fewer directors on them than other companies.

Unless the JFSC requirement for two Jersey resident directors is changed or a variance is granted, the Company has only four independent non-executive Director roles that it could use to fulfil the UK diversity requirements. The maximum number of Directors allowed under the Articles is seven, which is generally considered to be a high number for an investment trust with no employees.

In addition, the Board has no influence over the choice of candidates for the appointment of the 3i Group nominated Director.

Furthermore, 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 government's proposal includes a regime to allow overseas registered companies to become UK registered companies in a simpler and more cost-effective process.

Should the Company decide to transfer its domicile it would no longer require two Jersey resident directors, which would allow any future directors to be sought from a much wider candidate pool. Unfortunately there has been no further update from the UK government 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 page 105 set out details of the diversity of the individuals on the Board and Executive Committee 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)(ii)).

The Listing Rules make provision for closed-ended investment funds, such as the Company, who 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". As an externally managed investment company, 3i Infrastructure plc does not have a CEO or CFO and therefore, as allowed by the Rules, does not need to report against this target. The Board does, however, consider the role of the Chair of any of its permanent Committees to be senior positions on the Board.

Wendy Dorman is the Chair of the Audit and Risk Committee and, in the Board's view, it therefore complies with the target of having at least one senior Board position held by a woman.

# Composition, succession and evaluation continued

## Nomination Committee report continued

Gender identity or sex	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)
Men	4	57%	2
Women	3	43%	1
Not specified/ prefer not to say	–	–	–

Ethnic background*	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)
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.

### 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.

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 on such candidate 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 existing balance of knowledge, experience and diversity.

**Richard Laing**  
Chair, Nomination Committee  
9 May 2023



# Audit, Risk and Internal Control

## Audit and Risk Committee report



“

The Committee plays a key role, overseeing the integrity of the Company’s financial reporting, audit processes, and risk management and internal controls.”

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

### Membership and meetings

All the members of the Audit and Risk Committee are independent non-executive Directors who collectively have the necessary range of financial, risk, internal control and commercial experience required to fulfil the Committee’s remit. The Audit and Risk Committee Chair, Wendy Dorman, is a Chartered Accountant, and the Board is satisfied that she has recent and relevant financial experience. The Chair of the Board is not a member of the Committee but attends meetings by invitation.

The Committee held three scheduled meetings this year, aligned with the Company’s reporting cycle. Meetings follow an annual workplan developed from the Committee’s Terms of Reference in addition to any specific business requirements.

Regular attendees at meetings are the Board Chair, Ian Lobley, members of the Investment Manager’s team, the external auditor, Deloitte LLP (‘Deloitte’) and the Company’s Jersey administrator, Aztec Financial Services (Jersey) Limited (‘Aztec’) (Apex Financial Services (Alternative Funds) Limited (‘Apex’) was previously the Company’s Jersey administrator, until December 2022).

In addition to the scheduled Committee meetings, the Committee Chair has regular discussions and meetings with the Investment Manager, external auditor and the Company’s Jersey administrator.

The Committee Chair provides a formal update on the Committee’s work to the Board at each scheduled Board meeting. The performance of the Committee and its Chair is evaluated annually as part of the overall evaluation of the Board and the Board Committees as further disclosed on page 100. Overall the Committee continued to perform well and was effective in discharging its responsibilities.

# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

### 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 108.

### Internal audit

The Committee annually reviews the need for an internal audit function and is satisfied that the systems, processes and procedures of the Company and the Investment Manager provide sufficient assurance that an appropriate level of risk management and internal control is maintained. The Committee has therefore concluded that an internal audit function specific to the Company is currently not necessary.

### Financial and narrative reporting

The Company, through the Investment Manager, has in place internal control and risk management arrangements to support the financial and narrative reporting process and to provide assurance that the Company's Half-yearly report and Annual report and accounts are prepared in accordance with applicable standards. The Committee reviewed and made recommendations to the Board regarding significant accounting matters and the accounting disclosures in the Half-yearly report and Annual report and accounts of the Company.

### Fair, balanced and understandable ('FBU') reporting

The Committee considered the requirements of the AIC Code and specifically reviewed this Annual report and accounts to conclude whether the financial reporting is fair, balanced, understandable, comprehensive and consistent with how the Board assesses the performance of the Company's business during the financial year.

As part of this review, the Committee considered whether the Annual report and accounts provided the information necessary to shareholders to assess the Company's position, performance, strategy and business model and reviewed the description of the Company's Key Performance Indicators.

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 set out on page 108. After receiving reports on the significant estimates and matters of judgement from the Investment Manager, and after considering the report on the audit from Deloitte, the Committee agreed that the judgements made were appropriate and correctly reflected and presented in the Annual report and accounts. More detailed information on the Company's accounting policies can be found on pages 140 to 147.

# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

**Valuation of the investment portfolio**

The Committee noted that this year there were no changes to the principles of valuation which have been consistently applied. All unquoted assets have been valued on a discounted cash flow ('DCF') basis with the exception of the 3i India Infrastructure Fund where the valuation is taken as the Company's share of the Fund's net assets. Within the India Fund, the remaining investment in Supreme Infrastructure is valued at nil.

The WADR of the portfolio was slightly higher at 11.3% (10.9% at March 2022), primarily due to the evolution of the portfolio mix following the completion of the new investments in GCX and Future Biogas and the realisation of the European Projects portfolio.

The Committee considered the effect 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 are reflected in the cash flow projections of the portfolio companies. The appropriateness of the discount rates in relation to these cash flow projections was also considered.

The Investment Manager, as the Company's Alternative Investment Fund Manager, is responsible for providing a valuation of the investment portfolio that has been prepared properly and independently challenged. The Committee noted that 3i Investments plc's infrastructure valuations committee is considered independent of the Investment Manager's fund management activity and that it had approved the investment portfolio valuation as at 31 March 2023. The Committee discussed in detail the portfolio company valuations with the Investment Manager and the external auditor, including the external auditor's valuation expert, and considered that the principles of valuation applied by the Investment Manager to the investment portfolio had been applied correctly and consistently and recommended the valuations to the Board for approval.

**Interest streaming**

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 5.4 pence of the 5.575 pence interim dividend payable as an interest distribution. The Annual report and accounts have been prepared on the assumption that the Company will not designate any of its final dividend as interest.

**Investment entity consideration**

The Committee annually reviews the assessment that the Company continues to meet the criteria of an investment entity.

**Calculation of the management and performance fees payable to the Investment Manager**

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.

**Valuation of derivative financial instruments and other receivables**

The Committee considered and agreed with the Investment Manager's valuations in relation to derivative financial instruments and other receivables.

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;
- 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 presented its conclusions on the above areas to the Board and advised the Board that it considered the Annual report and accounts, taken as a whole, to be fair, balanced and understandable. The Committee further advised 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 that 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, the external auditor, including assessing annually its performance, effectiveness and independence. Shareholders approved the re-appointment of Deloitte as external auditor for the year ended 31 March 2023 at the Company's July 2022 AGM following a competitive external auditor selection process in 2017. Stephen Craig has been the audit partner for Deloitte since the conclusion of the 2022 audit. The Committee reviewed and monitored Deloitte's execution of the audit plan and also considered Deloitte's report on its review of the half-yearly results and its report on the FY22 audit. It discussed all significant matters identified in Deloitte's final report on the FY22 audit, including key accounting judgements taken by the Investment Manager and the Investment Manager's responses to any audit findings.

# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

### External auditor effectiveness

The Audit and Risk Committee reviewed the effectiveness of the FY22 external audit process, considering performance, objectivity, independence and relevant experience demonstrated by reports and presentations from the external audit team and discussion with the Investment Manager. The Committee monitors the external auditor's independence and objectivity, taking into consideration relevant professional and regulatory requirements, the quality of the audit process, and the use of Deloitte's valuation practice to support the audit of the portfolio valuations, the technical knowledge of the team and staff turnover within the Deloitte audit team. The Committee considered a memorandum from the Investment Manager regarding the external auditor's effectiveness, independence and objectivity. The Committee considered the Financial Reporting Council's ('FRC') 2016 guidance to Audit Committees when assessing the effectiveness of the whole audit process.

The Committee noted the following in respect of the external auditor:

#### Assessment against the audit plan

- there were no areas where the Investment Manager or Company's views of the accounting treatment differed from that of the external auditor;
- the level of engagement from the audit partner was high throughout the audit process;
- the auditors met the agreed audit plan and undertook work to address the risks identified in their plan and any subsequent risks identified;
- continuity of the audit team was retained into the audit of the Company's subsidiaries; and
- the audit matched the process set out in the audit plan.

### Evaluation of audit quality

Following the FRC's Practice Aid for audit committees on audit quality (2019) the Committee considered the four key elements that are necessary to support the auditor in making sound judgement – (i) Judgement, (ii) Mindset and Culture, (iii) Skills, Character and Knowledge, and (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. A significant amount of time was spent on testing inflation linkage within each asset model;
- the detailed audit work completed on the calculation of the management and performance fees;
- the review of disclosures required for the new resilience statement and additional disclosure in the key estimation uncertainties section such as cash flow and terminal value assumptions;
- the use of data analytic tools to support the conduct of the audit;
- 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 was presented based on a good understanding of the Company's business and included granularity around the valuation assumptions.

# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

### Non-audit services and external auditor independence

The Company's Non-audit services policy is reviewed annually to ensure that the provision of such services by the external auditor does not impair the external auditor's independence or objectivity. In order to safeguard external auditor objectivity and independence, the chair of the Audit and Risk Committee is required to approve in advance all non-audit work undertaken by the external auditor for the Company and its subsidiaries, and as a general rule the external auditor will not be engaged on investment-related work. However, exceptions to this may be permitted if the work is (i) for an affiliate of the Company and an indirect service to the Company or (ii) reporting accountant work, for example in the case of a capital raise. In addition to the Company's policy, in accordance with Deloitte internal controls, the audit partner must also approve any non-audit services provided by Deloitte to their audit client.

Deloitte and their associates provided non-audit services to the Company for fees totalling £95,891 for the year to 31 March 2023 (2022: £104,635).

This related to agreed-upon procedures on the management and performance fees (£8,316), agreed-upon procedures work in respect of sustainability KPIs for the RCF reporting (£27,000) and a review of the interim financial statements (£60,575). In this financial year, in line with the Company's policy, Deloitte provided non-audit services in relation to certain non-consolidated 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.

In assessing the external auditor's independence, the Committee reviews the total amount of fees paid to the external auditor in accordance with the Non-audit services policy, regardless of whether they are borne by the Company or by the investee companies.

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 2023 AGM.

### Risk management and internal control

The Board has overall responsibility for the Company's risk management and internal control framework, including the determination of the nature and extent of the principal risks it is willing to take to achieve its strategic objectives. The Company's overall risk management and internal control process is regularly reviewed by the Audit and Risk Committee and complies with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council.

During the year, the Committee reviewed the Company's risk management processes primarily based on the Company's assessment of its principal risks and uncertainties as set out in the Risk report on pages 73 to 75.

As part of this the Committee:

- carried out a full review of the risk register as part of the three-year risk review cycle with the objectives of (i) identifying the principal, key and emerging risks facing the Company; (ii) considering the impact and likelihood of these risks; (iii) ensuring that risks identified were linked to the Company's strategic objectives; and (iv) updating the risk register and risk matrix as appropriate;
- conducted risk reviews as detailed in the Risk report on pages 70 to 72;
- carried out horizon scanning to identify new and emerging risks;
- reviewed the risk log at each Committee meeting, and discussed the management of risks noted on the log with the Investment Manager;
- considered the presentation of risk-related matters in the Annual report and accounts; and
- considered the resilience, viability statement and the reverse stress test analysis (for more detail see pages 78 to 80).

# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

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 is dependent on investment management, financial and treasury, administrative and other support services being provided by third parties (the 'Service providers') and those Service Providers are subject to their own operational risk management and controls. Independent monitoring is carried out by the Service providers' internal audit teams and the Company receives copies of Service provider reports on their own internal controls as follows:

- annual independent review of the Company's business line operations by the Investment Manager's Internal Audit and Group Compliance functions. In particular, for the year under review the Committee discussed reports in relation to the internal audit of the Investment Manager's Information and Communication Technology ('ICT') framework which focused on 3i's cyber maturity and general ICT security.

- the nature of 3i's business means there are no ICT critical dependencies in terms of day-to-day operations. Since the last review, 3i's IT governance, infrastructure and operations have all remained stable and systems performance and stability have been good with no outages or cyber security incidents reported. The Company is reliant on its Service providers for disclosing significant cyber attacks and whether the Company's information had been compromised or not;
- the Committee also considered a report on the findings of a review of the European infrastructure team. The scope of the review included the ongoing application of the investment procedures and portfolio management processes, progress on sustainability objectives and implementation of sustainability strategies and GHG emissions reporting and management of the Company's operating structure, including monitoring of its investment trust status and AIFMD related obligations. The overall opinion on the control environment was unqualified with no material issues or urgent actions noted;
- during the year a review of 3i's treasury processes was also considered and no material findings were reported. Other service areas, such as tax, are reviewed on a two- to three-year rotation basis;
- the Company's Registrar provides an annual independent report on its internal controls, which covers the registrar services to the Company. This is completed in accordance with Technical Release AAF 01/20. The report is reviewed by the Board, the Company Secretary and Investment Manager and for the year under review showed no weakness in controls;
- the Company's Jersey administrator provides an annual report detailing their internal control framework to demonstrate their approach to internal controls and their risk management processes. The Jersey administrator is regulated by the JFSC and must provide a copy of their annual directors' declaration to the JFSC of 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.

For the year under review, Aztec had received an unqualified ISAE 3402 report and had recently been re-certified under ISO 27001. ISAE 3402 and ISO 27001 are the global assurance standards for internal control and information security, which provides assurance to clients over the robustness of the design and application of Aztec's internal controls. During the year the Company's previous Jersey administrator, Apex, also provided an internal control annual confirmation for the period up to December 2022 detailing the internal control framework that Apex adheres to as a Fund Services Business under the Financial Services (Jersey) Law 1998; and

- Deloitte provides an audit update report which includes an assessment of the design and implementation of controls Deloitte identified as key controls.



# Audit, Risk and Internal Control continued

## Audit and Risk Committee report continued

### Other internal control measures

Aztec succeeded Apex as 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. She presents a compliance report at every Audit and Risk Committee meeting and the Committee is responsible for the assessment and evaluation of these reports in the context of the delegated investment management and support services and for monitoring the effectiveness of those internal controls.

Aztec maintains an annual Compliance Monitoring Plan and reports to the Committee on the results of its tests on the Company, the Directors, the Investment Manager and the Company's suppliers, amongst others. Aztec and Apex did not identify any areas of concern during the course of the year.

On the recommendation of the Compliance Officer and the Money Laundering Compliance Officer, the Board approved further updates to its Conduct of Business Manual, Anti-Money Laundering Manual, Business Risk Assessment and customer due diligence processes during the year.

In addition, as part of the internal control framework, the Company Secretary reports to the Board on updates to those policies which do not form part of the Conduct of Business Manual and Anti-Money Laundering Manual, namely the Non-audit services policy, the Whistleblowing policy, Treasury policy and 3i Group's Equal Opportunities and Diversity policy (in so far as this particular policy applies to the Directors of the Company).

The Chair of the Audit and Risk Committee meets with the Compliance Officer, and the Investment Manager's Head of Internal Audit and Head of Compliance periodically to receive updates on the internal audit and compliance processes and procedures of the Investment Manager.

As a result of the above 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 in view of its responsibility for oversight of ESG reporting; and
- the Company's compliance with its regulatory obligations in the UK as a listed entity and in Jersey where it is registered.

#### Wendy Dorman

Chair, Audit and Risk Committee  
9 May 2023

# Relationship with Investment Manager

## Management Engagement Committee report



“

**The Committee continues to monitor and review the performance of the Investment Manager and ensures that the terms of the Investment Management Agreement are competitive, fair and reasonable for shareholders.”**

**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, 3i Investments plc, is responsible for the implementation of the agreed Investment policy and for investment or divestment decisions, subject to the investments or divestments remaining below an agreed threshold.

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.

The IMA includes an exclusivity arrangement in respect of investment opportunities within the Company’s Investment policy.

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 168 and 169.

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 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 168 and 169 is in the interest of the Company and its shareholders as a whole.

**Richard Laing**  
Chair, Management Engagement Committee  
9 May 2023

# Remuneration

## Remuneration Committee report



“

The fee structure for non-executive Directors should be transparent and reflect the increasing complexity of the Company, along with the skill set and time commitment required of non-executive Directors.”

**Paul Masterton**  
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 his or her services as a Director of the Company.

The Remuneration Committee reviewed the current level of the Directors’ fees, taking account of the challenges in the global macro environment, 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 external benchmarking reports on Director remuneration for both FTSE 250 companies and, in particular, investment trusts.

After careful consideration 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, and this was subsequently approved by the Board to take effect from 1 April 2023.

The Directors’ fees for the financial year to 31 March 2023 and fee increases from 1 April 2023 are as follows:

	Amount per annum to be paid from 1 April 2023 £	Amount paid in the year ended 31 March 2023 £	Amount paid in the year ended 31 March 2022 £
<b>Directors’ fees</b>			
Richard Laing	130,000	<b>124,000</b>	120,000
Doug Bannister	50,000	<b>47,500</b>	46,000
Wendy Dorman	62,000	<b>58,500</b>	56,000
Stephanie Hazell <sup>1</sup>	50,000	<b>23,750</b>	0
Samantha Hoe-Richardson	50,000	<b>47,500</b>	46,000
Ian Lobley <sup>2</sup>	50,000	<b>47,500</b>	46,000
Paul Masterton	58,000	<b>55,000</b>	53,000

<sup>1</sup> Appointed with effect from 29 September 2022.

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

**Paul Masterton**  
Chair, Remuneration Committee  
9 May 2023

# 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 170 to 177.

## 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 Association of Investment Companies (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 2023. See page 85 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 pages 81 and 82.

## 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 himself or herself 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 stand for election or re-election at the next AGM to be held on 6 July 2023. The Board regularly considers the independence of non-executive Directors as detailed on page 100.

The Directors' letters of appointment were updated this year as further detailed in the Nomination Committee report on page 102.

## Board's responsibilities and processes

The composition of the Board and its Committees, as well as the Board's key responsibilities and the way in which it and its Committees work, are described on pages 92 to 94.

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 93.

## 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 Financial Conduct Authority (the 'FCA') for the purposes of the Regulations and is the Company's AIFM. The Depositary is currently 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 2020. Details of the Remuneration policy are set out in the 3i Group Annual report and accounts for 2022.

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 5.575 pence per share (2022: 5.225 pence per share) be paid in respect of the year to 31 March 2023 to shareholders on the register at the close of business on 16 June 2023. The Company has chosen not to designate any 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 FY24 of 11.90 pence per share.



# 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 113 and 114.

## 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 168 and 169.

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

During the year, the Company extended its existing Revolving Credit Facility ('RCF') from £700 million to £900 million and cancelled an additional £300 million facility available at the beginning of the financial year, with a maturity of less than one year. The RCF has a maturity date of November 2025 and has one remaining one-year extension option. The RCF has a margin of 1.50% 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

On 14 February 2023, following a non pre-emptive capital raise, 30,915,990 new ordinary shares of the Company were admitted to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's Main Market. See page 64 of the Financial Review for further details of the capital raise.

The issued share capital of the Company as at 31 March 2023 was 922,350,000 ordinary shares (2022: 891,434,010). The Company does not hold any ordinary shares in treasury.

## Major interests in ordinary shares

As at 31 March 2023 and 30 April 2023, 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 2023	% of issued share capital	Number of ordinary shares <sup>1</sup> as at 30 April 2023	% of issued share capital
3i Group plc (and subsidiaries)	269,242,685	29.19%	269,242,685	29.19%
Schroders plc	49,118,773	5.33%	51,367,262	5.57%

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 2023\* are shown in the table below.

Directors' interests and beneficial interests	Ordinary shares at 31 March 2023	Ordinary shares at 31 March 2022
Richard Laing	35,000	35,000
Doug Bannister	20,000	20,000
Wendy Dorman	28,294	21,947
Stephanie Hazell	6,420	0
Samantha Hoe-Richardson	2,839	1,339
Ian Lobley	0	0
Paul Masterton	29,194	29,194

\* There have been no changes in Directors' shareholding and share interests since 31 March 2023.

# 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 2023 AGM. The Company will seek to renew such authority until the end of the AGM in 2024, 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 2023 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 82 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; GHG emissions; and the s172 statement. The Directors' Resilience statement is also shown in the Strategic report on page 78.

## 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 ('IFRSs') which have been adopted by the United Kingdom.

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 which are sufficient to show and explain the Company's transactions and are such as to 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 include 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 87 and 88 and pages 92 and 93 and page 99.

The Directors have acknowledged their responsibilities in relation to the Financial statements for the year to 31 March 2023.

By order of the Board

**Authorised signatory**

**3i plc**  
Company Secretary  
9 May 2023

**Registered Office:**  
11-15 Seaton Place  
St. Helier  
Jersey JE4 0QH  
Channel Islands