



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

If you sell or have sold or otherwise transferred all of your ordinary shares ("Ordinary Shares") in 3i Infrastructure plc (the "Company"), you should send this document, together with any accompanying proxy form (the "Proxy Form"), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

3i Infrastructure plc

(incorporated in Jersey with registered no. 95682)

Notice of Extraordinary General Meeting Approval of Investment Management Agreement as a related party transaction

A notice convening an extraordinary general meeting which is to be held at the offices of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG at 10.00 a.m. on Monday 17 September 2018 (the "Extraordinary General Meeting") is set out on page 12 of this document.

Whether or not you intend to be present, you are requested to appoint a proxy in relation to the Extraordinary General Meeting. If you have registered to appoint proxies electronically, this can be done by accessing the website www.signalshares.com. If you have not registered to appoint proxies electronically, this document should be accompanied by a Proxy Form for use in relation to the Extraordinary General Meeting, which should be completed and signed in accordance with the instructions printed thereon. If you have not received a Proxy Form and do not wish to register the appointment of a proxy electronically, please contact Link Asset Services on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposed resolution nor give any financial, legal or tax advice. Guidance notes to assist you to complete the Proxy Form or to register the appointment of a proxy electronically are set out on pages 13 and 14 of this document. You are requested to return a completed Proxy Form to Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.00 a.m. on 13 September 2018 (or, in the event that the meeting is adjourned, 48 hours prior to any adjourned meeting (no account being taken of any part of a day that is not a working day)). The return of a completed Proxy Form or appointment of a proxy electronically will not prevent you from attending the Extraordinary General Meeting and voting in person if you so wish and are so entitled.

RBC Europe Limited, trading as RBC Capital Markets ("RBC Capital Markets") is authorised by the Prudential Regulatory Authority (the "PRA") and regulated by the PRA and the Financial Conduct Authority (the "FCA") and is acting exclusively for the Company in connection with the matters described herein and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, for providing any advice in relation to the Company, the contents of this document or any matters referred to herein, and will not regard any other person (whether or not a recipient of this document) as its client for these purposes.

A Letter from the Chairman of the Company, Richard Laing, appears in Part I of this document and includes your Board's recommendation that you vote in favour of the resolution to be proposed at the Extraordinary General Meeting.

Part I

Letter from Richard Laing, Chairman of the Company

Directors (all non-executive):
Richard Laing (Chairman)
Doug Bannister
Wendy Dorman
Robert Jennings CBE
Ian Loble
Paul Masterton

Registered office:
12 Castle Street
St Helier
Jersey
JE2 3RT
Channel Islands
(incorporated in Jersey with registered no. 95682)

24 August 2018

Dear Shareholder,

Extraordinary General Meeting for the approval of an Investment Management Agreement as a related party transaction.

We announced earlier this year that we intend to move the tax domicile and management of the Company to the UK with effect from 1 October 2018 so that the Company can become an investment trust for UK tax purposes. This is intended to address the risk that maintaining the Company's existing structure would result in greater tax costs in respect of certain of the Company's investments because of the implementation of changes to international tax arrangements recommended by the OECD's Base Erosion and Profit Shifting ("BEPS") project. The Directors consider that it would be detrimental to the interests of all Shareholders not to move the Company's place of management to the UK before the end of 2018, because of the likelihood that the Company's investment returns would be reduced if it takes no action.

Her Majesty's Revenue and Customs ("HMRC") has already provided its provisional approval of the Company as an investment trust.

Moving the Company's place of management to the UK means that the Company's investment management decisions will need to be taken in the UK.

Currently, the Company is a self-managed alternative investment fund which takes its own investment management decisions (including whether and when to buy or sell its investments) on the basis of advice from 3i Investments plc ("3i Investments"), its investment adviser, on the terms of the existing Investment Advisory Agreement.

UK financial services regulations require that persons who perform investment management activities or manage alternative investment funds from the UK must be authorised by the FCA. It would not be possible as a Jersey company for the Company to obtain this authorisation.

3i Investments is already authorised by the FCA as an alternative investment fund manager. Accordingly, the Company has agreed that 3i Investments will become the Company's alternative investment fund manager and assume discretionary investment management authority for the Company from 1 October 2018. This will require the Company and 3i Investments to enter into a new Investment Management Agreement to replace the existing Investment Advisory Agreement.

3i Investments, both as the existing investment adviser to the Company and as a wholly owned subsidiary of 3i Group plc, which is a significant shareholder in the Company, is a related party of the Company. Accordingly, entry into the new Investment Management Agreement is a related party transaction for the purposes of the Listing Rules, which requires the approval of Shareholders other than 3i Group plc and its associates.

The Board has conducted negotiations with 3i Investments with the benefit of independent advice on the terms of the new Investment Management Agreement. The Board has also taken into account recent feedback from Shareholders in relation to the terms of the current Investment Advisory Agreement. A summary of the principal terms of the new Investment Management Agreement is set out below.

The principal changes are to introduce tiering of the management fee rate and time weighting of the management fee calculation, adding a one-off transaction fee payable in respect of new investments, and the payment of the performance fee on a phased basis and subject to future performance tests. In recommending these terms, the Board has taken into account the fees payable relative to other comparable infrastructure funds, the benefits to the Company and its Shareholders of retaining the 3i Investments infrastructure team, and encouraging deployment of capital. The Board has concluded that it is in the best interests of Shareholders to retain the team's proven quality and competence together with its potential to continue its record of high performance and therefore to appoint 3i Investments on the terms of the proposed Investment Management Agreement. Under the base financial projections for the Company it is expected that there will be a reduction in total fees payable by the Company to 3i Investments in each of the next five years, compared with those that would be payable under the current Investment Advisory Agreement.

In addition, the Company proposes to appoint Citibank Europe plc ("Citi") as its depositary with effect from the appointment of 3i Investments as the Company's alternative investment fund manager. Citi will perform the functions required of a depositary of an alternative investment fund that is incorporated outside the EEA, such as the Company, which has an EEA entity, such as 3i Investments, as its alternative investment fund manager. The Company will continue to retain an administrator and a registrar in Jersey.

Moving the Company's place of management to the UK will also result in a change to its regulatory status in Jersey. The Company is currently established as an "unclassified fund" in Jersey, but proposes, with the consent of the Jersey Financial Services Commission ("JFSC"), to change its status to a "listed fund". Further details on this change and the Jersey listed fund regime are contained in Part III of this document.

The purpose of this document is to provide information on the terms of the Investment Management Agreement, to convene an extraordinary general meeting of the company to propose a resolution to approve the Investment Management Agreement (the "Extraordinary General Meeting") and to recommend that Shareholders vote in favour of that resolution.

Assuming that Shareholder approval is obtained for the new Investment Management Agreement, it would become effective on the date that the Company's management is moved to the UK, which is anticipated to be 1 October 2018. If the Investment Management Agreement were not approved by Shareholders, the Company could not move its management to the UK without first addressing its UK regulatory status in another manner.

The Extraordinary General Meeting will be held at the offices of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG at 10.00 a.m. on Monday 17 September 2018. The business to be considered at the Extraordinary General Meeting is contained in the formal notice convening the Extraordinary General Meeting on page 12 of this document.

In addition, this document contains information in relation to the proposed change to the regulatory status of the Company. Further details on this change are contained in Part III (*Regulatory status of the Company*) of this document.

Investment Management Agreement

The Investment Management Agreement would replace the Company's existing Investment Advisory Agreement with 3i Investments. The principal differences between the Investment Management Agreement and the Investment Advisory Agreement are as follows:

3i Investments will be appointed as the Company's alternative investment fund manager with discretionary investment management authority in respect of the Company's investment portfolio. Currently, the Board takes investment decisions on behalf of the Company on the basis of advice provided by 3i Investments.

The Company has agreed a revised fee arrangement with 3i Investments for the new Investment Management Agreement. The Company will pay an annual management fee to 3i Investments initially equal to the advisory fee payable under the Investment Advisory Agreement, changing as follows with effect from 1 April 2019:

- 1.4% per annum in respect of the portion of the gross investment value of the Company's portfolio up to £1.25 billion;
- 1.3% per annum in respect of the portion of the gross investment value above £1.25 billion up to £2.25 billion; and
- 1.2% in respect of the portion of the gross investment value above £2.25 billion.

Unlike under the Investment Advisory Agreement, the Company's gross investment value will be calculated for the purposes of the management fee on a time weighted average basis for the year in question and not on the assumption that all investments acquired during the year were acquired at the beginning of the year. Instead, the Company will pay 3i Investments a one-off transaction fee in respect of any investment acquired by the Company on or after 1 April 2019 equal to 1.2% of the acquisition price of that Investment. Any transaction fee paid by the Company in respect of any investment which is disposed of (in whole or part) within 12 months of being acquired may, at the option of the Board, be offset against future transaction fees which would otherwise be payable to 3i Investments.

The Company will continue to pay 3i Investments a performance fee. Under the Investment Advisory Agreement, this is equal to 20% of the Company's total return per share in any financial year (being, effectively, the growth in net asset value and distributions made by the Company over that period) in excess of an 8% hurdle and subject to a high water mark. Under the Investment Management Agreement, with effect from 1 April 2019, the performance fee will continue to be equal to 20% of the Company's total return in excess of 8%, but will be calculated on a "company as a whole" basis instead of on a per share basis. In addition the performance fee will be payable under the Investment Management Agreement in three equal annual instalments. The second and third instalments will only be payable if either (a) the Company's performance in the year in which that instalment is paid also triggers payment of a performance fee in respect of that year or (b) if the Company's performance over the three years starting with the year in which the performance fee is earned exceeds the 8% hurdle on an annual basis. As the performance fee will be paid in instalments, unlike under the Investment Advisory Agreement, there will no longer be a three year high water mark which must be exceeded for the performance fee to be payable. Under this revised structure, if 3i Investments earns a performance fee one year, but the portfolio subsequently underperforms, up to two thirds of the performance fee would not be paid. The reason for calculating the performance fee on a company as a whole, instead of a per share, basis is to simplify the impact of capital events, such as the issue of new shares and payments of special dividends, on the calculation of the performance for periods in respect of which those events occur. This change in the method of calculation should not have a meaningful impact on the amount of the performance fee payable to 3i Investments.

The Investment Management Agreement will be terminable on service of 12 months' notice by either party, provided that such notice may not expire any earlier than the fourth anniversary of the effective date of the agreement, expected to be 1 October 2018. In effect this means that both the Company and 3i Investments will be committed to the Investment Management Agreement until 30 September 2022 at the earliest. Further, if the Company were to serve termination of the Investment Management Agreement prior to 1 April 2022, it would be required to make an additional payment to 3i Investments equal to six months' management fees.

Further information regarding the Investment Management Agreement is set out in Part II of this document.

Part I continued

Extraordinary General Meeting

A notice convening the Extraordinary General Meeting of the Company to be held at the offices of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG at 10.00 a.m. on Monday 17 September 2018 is set out at the end of this document.

The business to be considered at the Extraordinary General Meeting is contained in the formal notice convening the Extraordinary General Meeting on page 12 of this document.

Action to be taken

Whether or not you intend to be present, you are requested to appoint a proxy in relation to the Extraordinary General Meeting. If you have registered to appoint proxies electronically, this can be done by accessing the website www.signalshares.com. If you have not registered to appoint proxies electronically, this document should be accompanied by a Proxy Form for use in relation to the Extraordinary General Meeting, which should be completed and signed in accordance with the instructions printed thereon. Guidance notes to assist you in registering the appointment of a proxy electronically or completing a Proxy Form are set out on pages 13 and 14 of this document.

The resolution is an ordinary resolution to approve the new Investment Management Agreement. 3i Group plc will not vote on this resolution and has undertaken to take all reasonable steps to ensure that its associates will not vote on the resolution.

If you have not received a Proxy Form and do not wish to register the appointment of a proxy electronically, please contact Link Asset Services on the telephone helpline set out below to request a hard copy Proxy Form. For Shareholders who receive a Proxy Form, a Business Return Envelope is also provided, so that a postage stamp will not be required when mailing from the UK. Please note that delivery using this service can take up to five business days. Alternatively, any Proxy Form can be posted to the following address but a stamp will be required: Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The appointment of a proxy electronically or the completion and return of the Proxy Form will not prevent you from attending the Extraordinary General Meeting and voting in person if you so wish and are so entitled.

If you have any queries please contact Link Asset Services on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposed resolution nor give any financial, legal or tax advice.

Recommendation

The Board of the Company, which has been so advised by RBC Capital Markets in its role as sponsor to the Company, considers that the Investment Management Agreement is fair and reasonable as far as the Company's shareholders are concerned. In providing its advice, RBC Capital Markets has taken into account the Board's commercial assessment of the new Investment Management Agreement. Ian Loble, who has been appointed as a Director by 3i Group plc, has not taken part in the Board's consideration of whether the Investment Management Agreement is fair and reasonable as far as the Company's shareholders are concerned.

The Board is of the opinion that the Investment Management Agreement is in the best interests of Shareholders as a whole. Accordingly, the Board of the Company recommends Shareholders to vote in favour of the resolution to be proposed at the Extraordinary General Meeting, as all the Directors intend to do in respect of their own beneficial holdings totalling 102,013 Ordinary Shares in aggregate (representing approximately 0.01% of the Company's issued share capital) as at 23 August 2018, being the latest practicable date prior to the publication of this document.

Yours sincerely,



Richard Laing
Chairman

Part II

Investment Management Agreement

It is expected that Investment Management Agreement will be entered into by the Company and 3i Investments on or around 27 September 2018, conditional on approval of both the JFSC and the Company's Shareholders (other than 3i Group plc).

The Investment Management Agreement requires the approval of the Company's Shareholders (other than 3i Group plc) before it can become effective, because it is a related party transaction under the Financial Conduct Authority's Listing Rules on the basis that 3i Investments, both in its capacity as investment adviser to the Company and as a subsidiary of 3i Group plc (given 3i Group plc's shareholding in the Company), is a related party of the Company for the purposes of the Listing Rules. Entry into the Investment Management Agreement does not fall within any of the exemptions to the requirement for Shareholder approval for smaller related party transactions contained in the Listing Rules. This is because, as described further below, the Investment Management Agreement has a fixed term of four years, and, therefore, increases the period over which 3i Investments (a) will earn a management fee and (b) may earn a performance fee, depending on the Company's performance, compared to the unexpired term of the Investment Advisory Agreement.

Discretionary investment management services

3i Investments will be the discretionary investment manager of the Company's investment portfolio, subject to the Company's investment policy and the overall supervision of the Board. Certain investment decisions, including in respect of very large investments, may be reserved to the Board. The investment management services provided by 3i Investments include, without limitation, the origination and completion of new investments, the management of the Company's portfolio, managing the Company's funding requirements, providing treasury management services, providing valuations of the Company's investments on a half yearly basis and managing the realisation of investments.

Support services

3i Investments will also provide support services in respect of the administration of the Company and the existing support services arrangements between the Company and various members of the 3i Group will be terminated.

Fees and expenses

Under the Investment Advisory Agreement, the Company pays 3i plc an annual advisory fee based on the gross investment value of the Company at the end of each financial period (excluding cash or cash equivalent liquid temporary investments held by the Company throughout the relevant financial period). The applicable annual rate depends on the type of investments which make up the Company's gross investment value, as follows: (i) 1 per cent per annum in respect of any investments in primary PPP and individual renewable energy projects made after 8 May 2014; and (ii) in respect of all other investments, 1.5%, dropping to 1.25% for investments that have been held by the Company for longer than five years.

Under the terms of the Investment Management Agreement, the Company will pay an annual management fee to 3i Investments initially equal to the advisory fee payable under the Investment Advisory Agreement, changing as follows with effect from 1 April 2019:

- 1.4% per annum in respect of the portion of the gross investment value of the Company's portfolio up to £1.25 billion;
- 1.3% per annum in respect of the portion of the gross investment value above £1.25 billion up to £2.25 billion; and
- 1.2% in respect of the portion of the gross investment value above £2.25 billion.

Unlike under the Investment Advisory Agreement, the Company's gross investment value will be calculated for the purposes of the management fee on a time weighted average basis for the year in question, and not on the assumption that all investments acquired during the year were acquired at the beginning of the year. Instead, the Company will pay 3i Investments a one-off transaction fee in respect of any investment acquired by the Company on or after 1 April 2019 equal to 1.2% of the acquisition price of that Investment. The relevant proportion of any transaction fee paid by the Company in respect of any investment which is disposed of (in whole or part) within 12 months of being acquired may, at the option of the Board, be offset against future transaction fees which would otherwise be payable to 3i Investments. Cash and cash equivalent liquid temporary investments held by the Company will continue to be excluded from its gross investment value for the purposes of determining the amount of the annual management fee.

The Company will pay 3i Investments an annual support services fee of £1,000,000 subject to annual increase following the fourth anniversary of the Investment Management Agreement by an amount equal to the prevailing consumer price index.

Part II continued

Under the Investment Advisory Agreement, the Company pays 3i Investments a performance fee equal to 20% of the Company's total return per share in any financial year (being, effectively, the growth in net asset value and distributions made by the Company over that period) in excess of an 8% hurdle, subject to a high water mark. Under the Investment Management Agreement, with effect from 1 April 2019, the performance fee will continue to be equal to 20% of the Company's total return in excess of 8%, but will be calculated on a "company as a whole" basis instead of on a per share basis. This change in the method of calculation should not have a meaningful impact on the amount of the performance fee payable to 3i Investments. In addition, the performance fee will be payable under the Investment Management Agreement in three equal annual instalments. The second and third instalments will only be payable if either (a) the Company's performance in the year in which that instalment is paid also triggers payment of a performance fee in respect of that year or (b) if the Company's performance over the three years starting with the year in which the performance fee is earned exceeds the 8% hurdle on an annual basis. As the performance fee will be paid in instalments, unlike under the Investment Advisory Agreement, there will no longer be a three year high water mark which must be exceeded for the performance fee to be payable.

In addition, the Company will reimburse 3i Investments for expenses incurred on behalf of the Company, including due diligence costs and professional fees incurred in relation to investments and disposals (and aborted investments and disposals). 3i Investments has in return agreed to offset any Directors' fees, monitoring fees and/or similar fees and commissions it may receive in relation to investments (or potential investments) made by the Company against the fees otherwise payable by the Company to 3i Investments under the Investment Management Agreement.

Termination

The Investment Management Agreement will be terminable on service of 12 months' notice by either party, provided that such notice may not expire any earlier than the fourth anniversary of the effective date of the agreement, expected to be 1 October 2018. If the Company were to serve notice to terminate the Investment Management Agreement prior to 1 April 2022, it would be required to make an additional payment to 3i Investments equal to six months' management fees.

3i Investments may terminate the Investment Management Agreement by giving the Company not less than six months' written notice in the event that the investment policy of the Company is amended to such an extent that it has a material adverse effect on 3i Investments' ability to perform its duties under the Investment Management Agreement. The Company may terminate the Investment Management Agreement with immediate effect if 3i Investments ceases to be an authorised person under the Financial Services and Markets Act 2000 or ceases to be authorised to perform its duties under the Investment Management Agreement. The Investment Management Agreement includes other customary termination rights in the event of either party's material breach or insolvency.

Each of the Company and 3i Investments may also terminate the Investment Management Agreement on six months' notice if 3i Investments ceases to be a subsidiary of 3i Group plc.

Indemnification and exculpation

3i Investments and its associates will not be liable for any loss, claim, damage, expense or liability suffered or incurred by the Company (or any of its subsidiary undertakings), or any profit or advantage of which the Company may be deprived, which arises directly or indirectly from or in connection with any advice or other services provided by 3i Investments or its associates in connection with the proper performance of its duties under the Investment Management Agreement (including, without limitation, any depreciation in the value of any investment or the income derived from it), unless such a loss arises as a result of fraud, negligence, illegal act or wilful misconduct, or a breach of the terms of the Investment Management Agreement, by 3i Investments, its associates or any of their officers or employees. The Investment Management Agreement also provides that 3i Investments will not be liable for any default of the Company's custodian, any other custodian, brokers, market makers or the Company's administrator. The Company has agreed to indemnify 3i Investments, its associates and its or their agents and their respective officers and employees against any claims, actions, damages, demands or proceedings (and associated losses, expenses and liabilities). The Company's liability under this indemnity is uncapped. However, the Company shall not be liable in respect of any claim which may be brought against, or suffered or incurred by, 3i Investments, its associates and/or its or their agents and their respective officers and employees in connection with the Investment Management Agreement where such claims result from the fraud, negligence, illegal acts or wilful misconduct of, or a breach of the terms of the Investment Management Agreement by such persons.

Exclusivity

The Investment Management Agreement includes the following exclusivity provisions.

3i Investments will pursue for investment by the Company all potential investments that fall within the Company's current investment policy of which 3i Investments and its associates becomes aware and which it considers suitable for investment by the Company, provided that the Company has both: (a) funds available to invest; and (b) capacity within any regulatory investment constraints to make the investment (the "referral obligation"). For these purposes, "funds available to invest" means cash resources readily available to the Company and its associates to make the investment (including by participation in an investment syndicate or as a co-investor in any arrangement put together by 3i Investments) but excluding: (i) cash which is required to meet commitments in connection with the Company's other investments, dividends and operating costs; (ii) cash which would arise only on the disposal of one or more existing investments; or (iii) cash which could only be raised by increasing the indebtedness of the Company or its associates, unless pursuant to an existing binding agreement for the provision of debt funding to the Company.

The referral obligation will not apply in respect of the following (which exclusions are similar to those which apply currently under the Investment Advisory Agreement):

- any potential investments that do not fall within the Company's current investment policy;
- any investment by 3i Investments or any other member of the 3i Group for its own account in a fund, any stockbroking business, fund management business (or other entity carrying on a business of making or managing investments in or advising on the sale or acquisition of private companies) or other financial services business (except leasing companies) made or acquired to further the business of the 3i Group;
- any follow on investment in, or arising as a result of, an investment made prior to the date of the Investment Management Agreement by 3i Investments or any of its associates or by another fund managed or advised by 3i Investments or any of its associates or by any related co-investment vehicle;
- any investment made by any investee company of the 3i Group or of a fund managed or advised by 3i Investments or any of its associates that is not made as a result of advice provided by, or otherwise sourced from, 3i Investments or any of its associates;
- any investment made by 3i Investments or any of its associates in any third party infrastructure fund with an investment policy that focuses on one or more jurisdictions outside Europe and Australia;
- strategic investments made by 3i Investments or any other member of the 3i Group on its own account including without limitation, investments relating to outsourcing, procurement and operations in furtherance of the business of 3i Investments or any other member of the 3i Group;
- any equity held by 3i Investments or any of its associates arising from a debt for equity swap or convertible bond or arising from any securities or derivative trading or other investment management operations; and
- any investment opportunity which, in the reasonable judgment of 3i Investments, arises through: (a) a business acquired by 3i Investments or any other member of the 3i Group; or (b) a business contributed to 3i Investments or any other member of the 3i Group by any person who acquires any part of the 3i Group, in either case after the date of the Investment Management Agreement, but only in respect of specific investment opportunities and not otherwise to affect the exclusivity rights of the Company contained in the Investment Management Agreement.

The Investment Management Agreement provides that if 3i Investments raises, advises or manages a new fund which makes investments that may also fall within the Company's investment policy (a "Non-Exclusive Fund"), the Company and 3i Investments may agree on a case by case basis that investments made or pursued by those Non-Exclusive Funds will be exempt from the referral obligation. Non-Exclusive Funds specifically include funds advised or managed by 3i Investments or any of its associates which primarily make investments outside Europe and Australia. 3i Investments will also consider in each case whether it is appropriate to offer the Company the opportunity to invest in any new Non-Exclusive Fund when initially establishing that fund.

The Investment Management Agreement is governed by English law.

Part III

Additional Information

No Significant Change in Financial Position

There has been no significant change in the financial or trading position of the Company since 31 March 2018, the date of the Company's last published audited financial statements.

Major shareholders

As at 23 August 2018 (the latest practicable date prior to publication of this document), insofar as is known to the Company, the following persons are, directly or indirectly, interested in 5% or more of the issued share capital of the Company:

Shareholder	Number of Ordinary Shares	Percentage of Ordinary Shares in issue
3i Group plc	273,581,207	33.76%
Schroders plc	56,201,925	6.94%

Consent

RBC Capital Markets has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are included.

Material contracts

The Company is not party to any contracts, other than contracts entered into in the ordinary course of business, entered into in the two years immediately preceding the date of this document which are, or may be, material nor, other than the Investment Advisory Agreement, are there any other contracts (not being contracts entered into in the ordinary course of business) which contain any provision under which the Company has any obligation or entitlement which is or may be material to the Company in the context of the Investment Management Agreement as at the date of this document.

The Investment Advisory Agreement was entered into on 20 February 2007, amended and restated on 29 December 2010, amended on 7 November 2012 and further amended on 8 May 2014. The Investment Advisory Agreement will be terminated on the Investment Management Agreement coming into effect.

Under the terms of the Investment Advisory Agreement, 3i Investments provides certain investment advisory services to the Company, subject to the overall supervision of the Company's Board. The Board may reject investment opportunities recommended to it by 3i Investments, although the Board may not make any investments which have not first been recommended to it by 3i Investments. The investment advisory services provided by 3i Investments include, without limitation, advising the Company on the origination and completion of new investments, advising on funding requirements, advising on the management of the Company's portfolio, providing treasury management advice, providing valuations of the Company's investments on a half yearly basis and advising on the realisation of investments.

The Investment Advisory Agreement may be terminated by either the Company or 3i Investments giving the other party not less than 12 months' written notice. The Investment Advisory Agreement may also be terminated by either party giving the other written notice with immediate effect in the event of an insolvency-type event occurring in respect of the other party or the material or persistent breach of its terms by the other party.

3i Investments may terminate the Investment Advisory Agreement by giving the Company not less than six months' written notice in the event that the investment policy of the Company is amended so that it differs from the investment policy in effect at the time of the Company's initial public offering to such a material extent that it has a material adverse effect on the ability of 3i Investments to perform its duties under the Investment Advisory Agreement. The Company may terminate the Investment Advisory Agreement with immediate effect if 3i Investments ceases to be an authorised person under the Financial Services and Markets Act 2000 or ceases to be authorised to perform its duties under the Investment Advisory Agreement.

3i Investments and its associates will not be liable for any loss, claim, damage, expense or liability suffered or incurred by the Company (or any of its subsidiary undertakings), or any profit or advantage of which the Company may be deprived, which arises directly or indirectly from or in connection with any advice or other services provided by 3i Investments or its associates in connection with the proper performance by 3i Investments of its duties under the Investment Advisory Agreement (including, without limitation, any depreciation in the value of any investment or the income derived from it), unless such a loss arises as a result of fraud, negligence, illegal act or wilful misconduct, or a breach of the terms of the Investment Advisory Agreement by, 3i Investments, its associates or any of their officers or employees. The Investment Advisory Agreement also provides that 3i Investments will not be liable under the Investment Advisory Agreement for any default of the Company's custodian, any other custodian, brokers, market makers or the Company's administrator. The Company has agreed to indemnify 3i Investments, its associates and its or their agents and their respective officers and employees against any claims, actions, damages, demands or proceedings (and associated losses, expenses and liabilities) which may be brought against them or suffered or incurred by them in connection with the Investment Advisory Agreement unless such claims result from the fraud, negligence, illegal acts or wilful misconduct of, or a breach of the terms of the Investment Advisory Agreement by such persons.

The Investment Advisory Agreement includes the exclusivity provisions and fee provisions described in Part II of this document. In addition, the Company will reimburse 3i Investments for expenses incurred, including due diligence costs and professional fees incurred in relation to investments and disposals (and aborted investments and disposals), provided they are incurred within any guidelines that may be set out by the Company's Board from time to time, or otherwise with Board approval. 3i Investments has in return agreed to offset any transaction fees or commissions it may receive in relation to investments (or potential investments) made by the Company against the advisory fees otherwise payable.

The Investment Advisory Agreement is governed by English law.

Documents on display

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period from and including the date of this document until the conclusion of the Extraordinary General Meeting at the Company's registered office at 12 Castle Street, St Helier, Jersey JE2 3RT and at the offices of the Company's legal advisers, Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG:

- the memorandum and articles of association of the Company; and
- the audited report and accounts of the Company for the years ended 31 March 2018, 31 March 2017 and 31 March 2016.

Regulatory status of the Company

The Company is currently established as an "unclassified fund" in Jersey and holds a certificate under the Collective Investment Funds (Jersey) Law 1988. As an unclassified fund, the Company complies with:

- (a) the Code of Practice for Certified Funds, which is published by the JFSC and sets out the principles to which all funds holding a CIF Certificate must adhere; and
- (b) the open-ended collective investment fund guide ("OCIF Guide"), which is published by the JFSC and applies to the structure, operation and documentation of a fund such as the Company.

The OCIF guide provides that the manager of a Jersey fund shall be a Jersey company resident in Jersey and that control of the Jersey fund must be exercised from Jersey. The Company will be unable to comply with this requirement following its move to the UK and the appointment of 3i Investments as the Company's investment manager.

Accordingly, the Company proposes, with the consent of the JFSC, to change its status to that of a listed fund. A Jersey listed fund does not need to be resident in Jersey and its investment manager does not need to be incorporated or resident in Jersey.

The Company is well suited to Jersey's listed fund regime, its shares being listed on a recognised exchange. The Company considers that there will be no adverse impact for investors in the Company as a result of a conversion to listed fund status.

A Jersey listed fund is required to comply with the Listed Fund Guide published by the JFSC. The Listed Fund Guide is less prescriptive than the OCIF Guide. Further information in relation to the Jersey listed fund regime may be found on the JFSC website: www.jerseyfsc.org/the-commission/general-information/codes-of-practice/.

Investment warning

The JFSC's information pages on listed funds indicate that an investment in a listed fund is suitable only for professional or experienced investors, or those who have taken appropriate professional advice.

Regulatory requirements which may be deemed necessary for the protection of retail or inexperienced investors do not apply to listed funds. By investing or continuing to invest in the Company, you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced requirements accordingly.

Shareholders are wholly responsible for ensuring that all aspects of the Company are acceptable to them. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless Shareholders fully understand and accept the nature of the Company and the potential risks inherent in the Company, they should not invest or continue to invest in the Company.

Part III continued

Changes to service provider arrangements

The Company's principal service providers currently are as follows:

- 3i Investments, acting as investment adviser; and
- Link Asset Services, acting as administrator and registrar.

As indicated above, the Company is to move its tax domicile and management to the UK and appoint 3i Investments as its investment manager. As a result, the Company has carefully considered what corporate administration functions can and should be performed in the UK by 3i Investments; and what functions should continue to be performed in Jersey. The Company does not wish unnecessarily to duplicate administrative work in Jersey and the UK. Accordingly, the proposed new roles of the principal service providers are as follows:

- 3i Investments will act as investment manager (rather than investment adviser) and will also perform certain administration services for the Company; and
- Link Asset Services will continue to act as administrator and registrar, however, its administration role will be limited.

The administrative function to be assumed by 3i Investments reflects the services already provided by it in the UK to other 3i entities. Accordingly, 3i Investments has the necessary facilities and resources to provide these services to the Company.

Link Asset Services will remain the administrator of the Company for the purposes of the Listed Fund Guide. Its administration functions will include:

- providing a registered office for the Company;
- maintaining the books and records of the Company;
- providing the Company with assistance to ensure it is able to comply with the legislation, regulations and rules applicable to a Jersey listed fund;
- providing a Compliance Officer, Money Laundering Reporting Officer and Money Laundering Compliance Officer for the Company who will work closely with the compliance team of 3i Investments;
- with input from 3i Investments, making such submissions and filings with the JFSC as are required by Jersey law to be made in respect of the Company; and
- monitoring the investment manager (as to which, see below).

The current administration agreement between the Company and Link Asset Services will be amended to reflect the changed administration role.

Monitoring the investment manager

As administrator to a Jersey listed fund, Link Asset Services will be required to monitor 3i Investments, as investment manager to the Company. The monitoring function to be performed by Link Asset Services will involve taking reasonable measures to satisfy itself that the actions of the investment manager do not breach any investment and borrowing restrictions applicable to the Company and to promptly notify the Board of any concerns it has in that regard.

The Company's investment policy, which may only be amended by means of Shareholder resolution, is publicly available on the Company's website (<https://www.3i-infrastructure.com/about-us/investment-adviser/investment-policy/>).

Currently, the Board and the Company's Management and Engagement Committee (comprised of Directors of the Company) oversee the role of 3i Investments as investment adviser. This oversight will not change following a conversion to listed fund status, and the Management Engagement Committee will continue to oversee the role of 3i Investments as investment manager.

To assist with the monitoring function to be performed by Link Asset Services, the Board proposes to notify the administrator each time an investment is proposed by 3i Investments and provide details of the proposed investment. Link Asset Services will also receive a copy of any annual compliance certificate prepared by the Company to confirm compliance with its borrowing restrictions.

Part IV

Definitions

The following definitions apply throughout this document and the accompanying Proxy Form unless the context requires otherwise.

3i Investments	3i Investments plc
Board	the board of Directors of the Company
Citi	Citibank Europe plc
Company	3i Infrastructure plc
Directors	the directors of the Company
Extraordinary General Meeting	the Extraordinary General Meeting of the Company convened for 10 a.m. on 17 September 2018 (and any adjournment thereof)
FCA	the Financial Conduct Authority of the United Kingdom (or any successor body in respect thereof)
HMRC	Her Majesty's Revenue and Customs
Investment Adviser	means 3i Investments plc
Investment Advisory Agreement	the existing investment advisory agreement between the Company and 3i Investments
Investment Management Agreement	the proposed investment management agreement between the Company and 3i Investments
JFSC	the Jersey Financial Services Commission
OCIF Guide	the Jersey open-ended collective investment fund guide
Ordinary Shares	ordinary shares of no par value in the capital of the Company
Proxy Form	the form of proxy for use by holders of Ordinary Shares accompanying this document in connection with the Extraordinary General Meeting
Registrar	Link Asset Services
Shareholders	holders of Ordinary Shares
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended)
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland

The singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

Terms defined in the CREST Manual shall, unless the context otherwise requires, bear the same meanings where used in this document.

References to "£", "sterling", "pounds sterling", "penny" and "pence" are to the lawful currency of the United Kingdom.

Notice of Extraordinary General Meeting

3i Infrastructure plc

(incorporated in Jersey with registered no. 95682)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of 3i Infrastructure plc (the "Company") will be held at the offices of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG at 10.00 a.m. on Monday 17 September 2018 for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

Ordinary resolution

1. That the Investment Management Agreement proposed to be entered into between the Company and 3i Investments plc summarised in Part II of the Company's circular to Shareholders dated 24 August 2018, which constitutes a related party transaction under the Financial Conduct Authority's Listing Rules, be and is hereby approved.

Dated: 24 August 2018

Registered office:
12 Castle Street
St Helier
Jersey
JE2 3RT
Channel Islands

By order of the Board
Link Alternative Fund Services (Jersey) Limited
Company Secretary

Notes:

1. Shareholders entitled to attend and vote at the above meeting are entitled to appoint one or more proxies to attend and, on a poll, to vote in their place. A proxy need not be a Shareholder of the Company.
2. Shareholders who have been registered to do so are given the option to register the appointment of a proxy for the Extraordinary General Meeting electronically by accessing the website www.signalshares.com. This website is operated by the Company's registrar, Link Asset Services. Full details of the proxy voting procedure are given on the website and Shareholders are advised to read the terms and conditions relating to the use of this facility before appointing a proxy. Electronic communication facilities are available to all Shareholders and those who use them will not be disadvantaged in any way. Electronic proxy voting instructions are requested to be submitted using the website www.signalshares.com by no later than 10.00 a.m. on 13 September 2018 (or, in the event that the meeting is adjourned, 48 hours prior to any adjourned meeting (no account being taken of any part of a day that is not a working day)). Any electronic communication sent by a Shareholder that is found to contain a computer virus will not be accepted.
3. If you have not registered to appoint proxies electronically, this document should be accompanied by a Proxy Form for use in relation to the Extraordinary General Meeting. In the case of joint Shareholders using a Proxy Form, only one need sign the Proxy Form. The vote of the senior joint Shareholder will be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose, seniority will be determined by the order in which the names of the Shareholders appear in the register of members in respect of the joint shareholding. The completion and return of the Proxy Form will not stop you from attending and voting in person at the Extraordinary General Meeting should you wish to do so. A proxy need not be a Shareholder of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you.
4. To appoint more than one proxy using the Proxy Form you may photocopy the Proxy Form. In that case, please indicate the proxy holder's name and number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of the multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
5. If you have not received a Proxy Form and do not wish to register the appointment of a proxy electronically, please contact Link Asset Services on 0371 664 0300 to request a hard copy Proxy Form. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposed resolution nor give any financial, legal or tax advice.
6. Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those people registered as Shareholders in the register of members of the Company as at close of business on 13 September 2018 or, in the event that the meeting is adjourned, in the register of members 48 hours prior to any adjourned meeting, shall be entitled to attend or vote at the Extraordinary General Meeting convened pursuant to this notice in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after close of business on the date which is 48 hours before the time of the Extraordinary General Meeting or, in the event that the meeting is adjourned, close of business on the date which is 48 hours prior to any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at such meeting. In calculating the 48 hour periods referred to above, no account shall be taken of any part of a day that is not a working day.
7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
8. A corporation must execute the Proxy Form under its common seal or the hand of a duly authorised officer or attorney. The resolution of authorisation (if any) should be returned with the Proxy Form.
9. As at 23 August 2018, the latest practicable date of this notice, the Company's issued share capital consisted of 810,434,010 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are of 810,434,010.

Guidance notes for completion of the Proxy Form and Electronic Proxy Voting:

1. Shareholders who have been registered to do so are given the option to register the appointment of a proxy for the Extraordinary General Meeting electronically by accessing the website www.signalshares.com. This website is operated by the Company's registrar, Link Asset Services. Full details of the proxy voting procedure are given on the website and Shareholders are advised to read the terms and conditions relating to the use of this facility before appointing a proxy. Electronic communication facilities are available to all Shareholders and those who use them will not be disadvantaged in any way. Electronic proxy voting instructions are requested to be submitted using the website www.signalshares.com by no later than 10.00 a.m. on 13 September 2018 (or, in the event that the meeting is adjourned, 48 hours prior to any adjourned meeting (no account being taken of any part of a day that is not a working day)). Any electronic communication sent by a Shareholder that is found to contain a computer virus will not be accepted.
2. If you have not registered to appoint proxies electronically, this document should be accompanied by a Proxy Form for use in relation to the Extraordinary General Meeting. In the case of joint Shareholders, only one need sign the Proxy Form. The vote of the senior joint Shareholder will be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose, seniority will be determined by the order in which the names of the Shareholders appear in the register of members in respect of the joint shareholding. The completion and return of the Proxy Form will not stop you from attending and voting in person at the Extraordinary General Meeting should you wish to do so. A proxy need not be a Shareholder of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you.

3. To appoint more than one proxy using the Proxy Form, you may photocopy the Proxy Form. Please indicate the proxy holder's name and number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of the multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
4. If you have not received a Proxy Form and do not wish to register the appointment of a proxy electronically, please contact Link Asset Services on 0371 664 0300 to request a hard copy Proxy Form. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposed resolution nor give any financial, legal or tax advice.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA10) by the latest time for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.
8. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Articles 33 to 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, are required to be lodged no later than 10.00 a.m. on 13 September 2018.
9. You can appoint the Chairman of the Meeting, or any other person, as your proxy. If you wish to appoint someone other than the Chairman, cross out the words "the Chairman of the Meeting" on the Proxy Form and insert the full name and address of your appointee.
10. You can instruct your proxy how to vote on each resolution on which a poll is taken by ticking the "For" or "Against" boxes as appropriate (or entering the number of shares which you are entitled to vote). If you wish to abstain from voting on any resolution on which a poll is taken please tick the box which is marked "Vote Withheld". It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution. If you do not indicate on the Proxy Form how your proxy should vote, he/she can exercise his/her discretion as to whether, and if so how, he/she votes on each resolution, as he/she will do in respect of any other business (including amendments to resolutions) which may properly be conducted at the Extraordinary General Meeting.
11. A company incorporated in England & Wales or Northern Ireland should execute the Proxy Form under its common seal or otherwise in accordance with Section 44 of the Companies Act 2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be enclosed with the Proxy Form.

The Proxy Form and any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed is required to be received by Link Asset Services by no later than 10.00 a.m. on 13 September 2018. On completing the Proxy Form, sign it and return it to Link Asset Services in the Business Return Envelope provided. As postage has been pre-paid no stamp is required. If you mislay the Business Return Envelope, you may return the Proxy Form to FREEPOST PXS, 34 BECKENHAM ROAD, BECKENHAM, KENT BR3 9ZA. A postage stamp will not be required when mailing from the UK. Please note that the Freepost address must be completed in block capitals and that delivery using this service can take up to five business days. Alternatively, the form of proxy can be posted to the following address but a stamp will be required: Link Asset Services, PXS, 34 Beckenham Road, Beckenham Kent BR3 4TU.

Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those people registered as Shareholders in the register of members of the Company as at close of business on 13 September 2018 or, in the event that the meeting is adjourned, in the register of members 48 hours prior to any adjourned meeting, shall be entitled to attend or vote at the Extraordinary General Meeting convened pursuant to this notice in respect of the number of shares registered in their name at that time. Changes to entries in the register of members as at close of business 48 hours before the time of the Extraordinary General Meeting or, in the event that the meeting is adjourned, in the register of members as at close of business 48 hours prior to any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at such meeting.

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