

## **3i Infrastructure plc (the "Company")**

### **Terms of Reference - Management Engagement Committee (the "Committee")**

**Last updated and approved by the Board on 29 January 2019**

#### **1 Constitution**

The Committee was established by the Board at a meeting held on 28 September 2011 to assist the Board in fulfilling its responsibilities.

#### **2 Purpose**

The purpose of the Committee is to review the performance of contractual arrangements with, and the continued retention of 3i Investments plc (the "**Investment Manager**") and generally manage the relationship with the Investment Manager on behalf of the Company.

#### **3 Membership**

3.1 Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Committee Chair. The Committee shall comprise at least two members all of whom shall be non-executive Directors not connected with or nominated by 3i Group plc and independent of the Investment Manager.

3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

3.3 The Board shall appoint the Committee Chair who shall be a non-executive Director independent of the Investment Manager. In the absence of the Committee Chair at any meeting, the remaining members present shall elect one of their number to chair the meeting.

#### **4 Secretary**

3i plc (the "**Secretary**") or its nominee shall generally act as the Secretary of the Committee. Where the Chair believes it would be inappropriate for 3i plc to act as Secretary for any meeting of the Committee, he or she shall make such other arrangements as they think fit.

#### **5 Quorum**

5.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5.2 Members may attend meetings of the Committee via teleconference or video conference. Decisions of the Committee may also be taken by way of a unanimous written resolution of the Committee members. Such written resolution is adopted when all members of the Committee have signed one or more copies of it or otherwise indicated their agreement to it in writing (which may include by electronic mail).

## **6 Frequency of Meetings**

The Committee shall meet at least twice a year and otherwise as frequently as is required in the performance of its duties. The timing and agenda of meetings is the responsibility of the Committee Chair, subject to the expressed wishes of the Committee members.

## **7 Notice of Meetings**

7.1 Meetings of the Committee shall be called by the Secretary at the request of the Committee Chair or any of the Committee's members.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time wherever possible.

## **8 Minutes of Meetings**

8.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

8.2 Minutes of Committee meetings shall be circulated promptly to the Committee Chair and then circulated to all members of the Committee, unless it would be inappropriate to do so in the opinion of the Committee Chair. The Committee Chair will report to the Board on any significant matters discussed at each meeting.

## **9 Annual General Meeting**

The Committee Chair shall attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

## **10 Duties**

10.1 The Committee shall be responsible for:

10.1.1 recommending to the Board whether the continuing appointment of the Investment Manager is in the best interests of the Company and shareholders and the reasons for this recommendation;

10.1.2 preparing a disclosure statement in accordance with rule 15.6.2 of the UK Listing Authority Listing Rules regarding the continuing appointment of the Investment Manager on the terms agreed to be included within the Annual Report of the Company;

10.1.3 monitoring and reviewing the Investment Manager's performance, for example, taking into account the following factors:

- a) investment performance (portfolio performance/risk profile);
- b) cash flow analysis (projections/capacity/treasury management);
- c) marketing performance (demand/relationship maintenance); and
- d) communication/support (quality of Board papers/contribution to meetings/compliance with terms of the Investment Management Agreement) from time to time between the Company and the Investment Manager (the "IMA");

- 10.1.4 providing feedback to the Investment Manager on its performance, and if necessary, suggesting changes/improvements to the Board;
- 10.1.5 reviewing the terms of the IMA from time to time to ensure that the terms thereof conform with market and industry practice and remain in the interests of the Company's shareholders as a whole and making recommendations to the Board on any variation to the terms of the IMA which are considered necessary or desirable, or which may be proposed by the Investment Manager;
- 10.1.6 investigating any breaches of agreed investment limits and any deviation from the agreed investment policy and strategy;
- 10.1.7 considering the merit of obtaining, on a regular basis, an independent appraisal of the Investment Manager's services;
- 10.1.8 reviewing the standard of any administrative services provided by the Investment Manager or company secretarial services provided by 3i plc;
- 10.1.9 reviewing the standard of services provided by Link Alternative Fund Services (Jersey) Limited;
- 10.1.10 assessing the level of fees charged by the Investment Manager, the method of remuneration, the basis of performance fees and the notice period, and review how the fees compare with those charged to peer group companies or partnerships; and
- 10.1.11 consider any other issues on the appointment of the Investment Manager.

## **11 Reporting Requirement**

- 11.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee shall prepare a statement in the annual report about its activities and a disclosure statement on the continued appointment of the Investment Manager on the terms agreed. The Committee should also report the frequency and attendance record of Committee meetings.

## **12 Other**

- 12.1 The Committee shall, at least once a year and in conjunction with the Board, review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.
- 12.2 The Committee shall, where appropriate and in conjunction with the Board, receive appropriate and timely training on an ongoing basis.

## **13 Authority**

- 13.1 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 13.2 The Committee is authorised, at the Company's expense, to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.