



**GCP INFRASTRUCTURE INVESTMENTS LIMITED**  
**MATTERS RESERVED FOR THE BOARD**

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## **MATTERS RESERVED FOR THE BOARD**

### **1. Background**

- 1.1 GCP Infrastructure Investments Limited (the “**Company**”) is a self-managed fund.
- 1.2 All matters that have a material impact upon the Company or any of its subsidiaries will be referred to the board (the “**Board**”) of directors of the Company (the “**Directors**”). However, section 6 below sets out the matters reserved specifically for the decision of the Board.

### **2. Members**

- 2.1 At least half of the Board, excluding the Chair of the Company (the “**Chair**”), should be non-executive Directors whom the Board considers to be independent. The majority of the Board should be independent of the Investment Adviser.
- 2.2 Subject to the consent of the Board, only members of the Board may attend a Board meeting (a “**Meeting**”). However, other individuals such as representatives of the Investment Adviser and external advisers, as appropriate, may be invited to attend for all or part of any meeting as and when appropriate or necessary.
- 2.3 In the absence of the Chair, the remaining members of the Board present at the Meeting shall appoint one of the members of the Board to chair the Meeting.

### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business at any Meeting is set out in the Company’s articles of association.
- 3.2 A duly convened Meeting 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 Board.

### **3. Frequency of meetings**

The Board shall meet at least four times a year and otherwise as required.

### **4. Notice of meetings**

- 4.1 Meetings shall be called by the Secretary at the request of the Chair or any of its Members.
- 4.2 Unless otherwise agreed by all Members, notice of each Meeting confirming the venue, time and date shall be forwarded to each Member and any other person required to attend no later than ten business days in Jersey (each a “**Business Day**”) prior to the date of the Meeting. An agenda of items to be discussed shall be forwarded to the Chair in the first instance at least ten Business Days prior to the date of the meeting unless otherwise agreed by the Chair, then circulated to each Member and any other person required to attend at least five Business Days prior to the date of the Meeting. Supporting papers shall be sent to Members and other attendees at the same time.

## **5. Minutes of meetings**

- 5.1 The Secretary shall minute the proceedings and resolutions of all Meetings, including recording the names of those present and in attendance.
- 5.2 The Secretary shall ascertain, at the beginning of each Meeting, the existence of any conflicts of interest and minute them accordingly.
- 5.3 Draft minutes of Meetings shall be circulated to the Chair no later than ten Business Days following the date of the Meeting, then to all other Members after comments have been provided by the Chair. Once approved, minutes should be tabled to the next available quarterly meeting of the Board for noting unless it would be inappropriate to do so in the opinion of the Chair.

## **6. Duties**

### **6.1 Stakeholder engagement**

*NB: Although it is not a requirement for a non-UK company to comply with section 172 of the Companies Act 2006, there are, however, related corporate governance disclosures in the Association of Investment Companies Code of Corporate Governance (the "AIC Code") which apply to the Company on a comply or explain basis.*

- 6.1.1 Seek regular engagement with major shareholders (either directly or through the Company's service providers) in order to understand their views on the Company's strategy, governance and performance against the Company's investment objective and investment policy.
- 6.1.2 Attend the Annual General Meeting to respond to any shareholder questions.
- 6.1.3 Engage with the Company's key stakeholders (either directly or through the Company's service providers) to understand and factor into boardroom discussions the potential impact of Board decisions on each stakeholder group and consider their needs and concerns, in accordance with section 172 of the Companies Act 2006.
- 6.1.4 Act in a way the Board considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in section 172 of the Companies Act 2006).

### **6.2 Conflicts**

- 6.2.1 Deal with conflicts of interests of directors.
- 6.2.2 Identify and manage conflicts of interest, including those relating to significant shareholdings, and ensure that the influence of third parties does not compromise or override independent judgement.
- 6.2.3 Consideration and approval of additional external board appointments.

### **6.3 Strategic / Policy Considerations**

- 6.3.1 Overall leadership of the Company, setting the purpose, values, investment strategy and policy (including the mix of investment types, the markets and sector to be invested in

and the parameters within which investments should be made), long-term objectives, commercial strategy and standards and assess the basis on which the Company preserves them over the long-term.

- 6.3.2 Review overall macro, investment policy and sectorial issues.
- 6.3.3 Assess and monitor its own culture, including its policies, practices and behaviour to ensure it is aligned with the Company's purpose, values and strategy.
- 6.3.4 Oversee the effectiveness and implementation of the Company's investment objectives and policy. This includes receiving a quarterly report from the Investment Committee summarising the investment transactions considered and approved during each quarter.
- 6.3.5 Specific risk management policies including insurance, hedging, borrowing limits and corporate security.
- 6.3.6 Agreement of codes of ethics and business practices.
- 6.3.7 Avoidance of wrongful and fraudulent trading.
- 6.3.8 Review regular compliance, marketing and investment reports, including investment performance and associated matters such as gearing, asset allocation, attribution analysis, marketing/investor relations, peer group information and industry issues.
- 6.3.9 Remuneration of the Directors, including consideration and approval of the remuneration policy, noting that no Director shall be involved in any decision relating to their own remuneration.
- 6.3.10 Prepare a statement describing the steps that the Company has taken to monitor its business and supply chains to ensure that no slavery or human trafficking has taken place during any given year and ensure it is published on the Company's website and in the annual report.

#### 6.4 Corporate Matters

- 6.4.1 Approve all shareholder circulars, prospectuses, listing particulars and any press releases concerning matters decided by the Board.
- 6.4.2 Convene general meetings of the Company, including approval of the resolutions and any associated documentation to be put to shareholders at the general meeting.
- 6.4.3 Recommend to shareholders the approval of alterations to the memorandum and articles of association of the Company.
- 6.4.4 Making any takeover offer for another company or other companies within the City Code of Takeovers and Merger and considering a response to any such approach to the company.
- 6.4.5 Agree the procedure for the release of price sensitive information and other Company announcements and to ensure compliance with the Market Abuse Regulation.

- 6.4.6 Approve any changes to the Company's status as an investment company, its tax residence or its listing on the London Stock Exchange.

#### 6.5 Finance

- 6.5.1 Approve the raising of capital, changes to capital structure and major financing facilities.
- 6.5.2 Charitable and political donations.
- 6.5.3 Approval of the Company's dividend policy and determination of interim/special dividends, following recommendation from the Investment Adviser.
- 6.5.4 Approval of operating budgets (for a period of 12 months and beyond) and monitor performance against budget.
- 6.5.5 Approval of all guarantees given by the Company.
- 6.5.6 Review and approve the use of derivative instruments.
- 6.5.7 Consider recommendations from the Investment Adviser with respect to treasury policies including foreign currency and interest rate exposure, market risk and liquidity risk.

#### 6.6 Alternative Investment Fund Managers Directive

- 6.6.1 Supervision of delegated tasks and management of the risks associated with such delegation.
- 6.6.2 Inquiry, inspection, access and giving instructions to delegates and the ability to exercise those rights in practice.
- 6.6.3 Ensure there is clear division of responsibilities of between the Board and the AIFM.

#### 6.7 General

- 6.7.1 Allotment, calls and forfeiture of shares.
- 6.7.2 If required, determination, with the assistance of the Investment Adviser, of a policy on buy-back shares and holding them in treasury including the criteria for sale from treasury/cancellation.
- 6.7.3 Repurchase of shares.
- 6.7.4 Suspension of NAV determination.
- 6.7.5 Approval of the arrangement of liability insurance for Directors and officers.
- 6.7.6 Monitor press releases, marketing activities and investor relations.
- 6.7.7 Monitor, in consultation with the Company's service providers, rules, regulations, trends and developments relevant to the Company.

## **6.8 Annual Report and Financial Statements**

- 6.8.1 Describe in the annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the Company's business model and how its governance contributes to the delivery of its strategy.
- 6.8.2 Ensure inclusion of the Company's investment objective and investment policy in the annual report.
- 6.8.3 In line with best practice, as set out in the AIC Code, describe in the annual report how stakeholder interests and the matters set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making.
- 6.8.4 Identify in the annual report each non-executive director considered to be independent by the Board. Where circumstances which are likely to impair, or could appear to impair, a non-executive director's independence apply, and the Board nonetheless considers that the non-executive director is independent, a clear explanation should be provided.
- 6.8.5 Explain in the annual report the areas of decision making reserved for the Board and those over which the Investment Adviser has discretion.
- 6.8.6 State in the annual and half-yearly report whether it is appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the reports.
- 6.8.7 Detail in the annual report the number of meetings of the Board and its committees, and the individual attendance by Directors.

## **6.9 Committees**

- 6.9.1 Delegation of the Board's powers.
- 6.9.2 Establishment of, terms of reference for, membership of, and reporting arrangements for all Board committees, in consultation with the chair of the committees.
- 6.9.3 Consideration and, if appropriate, approval of recommendations from its committees.

## **7. Delegation of Duties**

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 relevant laws, the Company's articles of association and any directions given by special resolution of the shareholders. Some powers have been delegated to Board committees. All resolutions by a committee are recommended to the Board for consideration, except resolutions by the Investment Committee which has authority to act within certain parameters set by the Board.

Below are the key duties delegated to committees and (where applicable) recommended to the Board. For further information refer to the terms of reference for the committees.

## 7.1 Investment Committee

- 7.1.1 In accordance with and within the overarching strategy and parameters set by the investment policy:
- a) consider and approve (or disapprove) potential investment and divestment transactions recommended by the Investment Adviser and (where approved) to oversee and effect the making of such investments and divestments by the Company;
  - b) consider recommendations from the Investment Adviser with respect to treasury policies including, but not limited to, foreign currency and interest rate exposure, market risk, counterparty risk and credit ratings of some;
  - c) manage surplus uninvested funds and debt facilities; and
  - d) ensure that the assets are invested appropriately.
- 7.1.2 Where directed by the Board, deploy macro, investment and sectorial strategies, rules or limits prescribed from time to time.

## 7.2 Audit and Risk Committee

- 7.2.1 Approval of the remuneration of the auditors and recommendations for the appointment or removal of the auditors.
- 7.2.2 Approval of annual and half-yearly reports and financial statements and accounting policies.
- 7.2.3 Oversee the relationship with the auditor, including reviewing their audit plan and findings of the audit and assessing the effectiveness of the audit process.
- 7.2.4 Approve any non-audit related services.
- 7.2.5 Establish the risk assessment methodology employed by the Board to manage the risks faced by the Company and assess the effectiveness of risk mitigation factors/measures, making recommendations to the Board where appropriate.
- 7.2.6 Review the effectiveness of the internal controls and the risk management framework.
- 7.2.7 Assess the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity and ability to deliver its strategy. Those risks, together with and principal uncertainties identified, should be described and an explanation on how they are being managed or mitigated should be included in the annual report of the Company.

## 7.3 Nomination Committee

- 7.3.1 Board appointments, removals and re-election, for recommendation to shareholders at the Company's annual general meeting.

- 7.3.2 Appointment of a senior independent director.
- 7.3.3 Board succession, structure, tenure, training, development and appraisal and committee composition.
- 7.3.4 Establish and periodically review the Company's diversity policy, ensuring it is in line with relevant targets for FTSE 250 companies.
- 7.3.4 Facilitate a formal and rigorous review (at least annually) of the performance of the Board, its committees, the chair and individual directors and review the results of the evaluations.
- 7.3.5 Facilitate an external board evaluation at least every three years and consider the results of the evaluation.
- 7.3.6 Annual assessment of the Directors' independence.

#### 7.4 Management Engagement Committee

- 7.4.1 Appointment and removal of the Company's Investment Adviser and other service providers, such as the company secretary, administrator, registrar, broker, valuation agent, receiving agent, depositary, legal advisors, etc.
- 7.4.2 Monitor and evaluate, at least annually, the performance of the Company's service providers, including the Investment Adviser, in accordance with the terms of their engagement.

#### 7.5 Environmental, Social and Governance ("ESG") Committee

- 7.5.1 Define, review and evaluate all ESG related matters relevant to the Company and its operations.
- 7.5.2 Ensure the Company's ESG strategy aligns with shareholders' interests and is effectively communicated to shareholders and stakeholders, including, but not limited to, detailing and reporting against the ESG strategy in the annual report.

### **8. Other matters**

The Board shall:

- 8.1 have access to sufficient resources in order to carry out its duties; including access to the Company Secretary and external advisers if required;
- 8.2 be provided with appropriate timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 8.3 give due consideration to laws and regulations, the provisions of the AIC Code and the requirements of the UK Financial Conduct Authority ("**FCA**"), Prospectus and the FCA's Disclosure Guidance and Transparency Rules as appropriate;
- 8.4 oversee any investigation and litigation; and



- 8.5 periodically review this schedule of matters reserved for the Board to ensure that it is operating at maximum effectiveness.

**9. Authority**

The Board shall be generally authorised to:

- 9.1 seek any information it requires from any Director or adviser of the Company in order to perform its duties;
- 9.2 obtain, at the Company's expense, outside legal or other professional advice; and
- 9.3 call any Director or adviser to be questioned at a meeting of the Board as and when required.