



**GCP INFRASTRUCTURE INVESTMENTS LIMITED  
NOMINATION COMMITTEE TERMS OF REFERENCE**

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**ADOPTED BY THE BOARD ON 14 OCTOBER 2019**

**NOMINATION COMMITTEE  
TERMS OF REFERENCE**

**1. Membership**

1.1 The purpose of the Committee is to assist the Board by leading the process for Board and Committee appointments and by ensuring plans are in place for orderly succession to the Board. The Committee shall comprise of at least three Directors, the majority of which shall be independent non-executive Directors.

1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of the meeting, as and when deemed to be appropriate and necessary, and agreed in advance of the meeting by the Committee Chairperson.

1.3 Appointments to the Committee are made by the Board and the Board shall appoint the Committee Chairperson who should be either the Chairperson of the Board or an independent non-executive Director. In the absence of the Committee Chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these Terms of Reference to be appointed to that position by the Board. The Chair of the Board shall not chair the Committee when it is dealing with the appointment of their successor.

**2. Secretary**

The Company Secretary or their nominee shall act as the Secretary of the Committee.

**3. Quorum**

3.1 The quorum necessary for the transaction of business shall be two members of the Committee. 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.

3.2 The members of the Committee may meet for the despatch of business, adjourn and otherwise regulate meetings as they think fit. Without prejudice to the foregoing, all or any of the members of the Committee may participate in a meeting of the Committee by means of a conference telephone or any communication equipment which allows all persons so participating in the meeting to hear each other. A member of the Committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.

**4. Frequency of meetings**

The Committee shall meet as and when required.

**5. Notice of meetings**

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, shall be forwarded to each member of the Committee and any other person required to attend, no later than ten working days before the date of the meeting. An agenda and supporting papers shall be sent to Committee members and to other attendees as appropriate, no later than five working days before the date of the meeting.
- 5.3 The notice period set out in 5.2 may be reduced at the sole discretion of the Committee Chairperson to whatever he/she considers appropriate.

**6. Minutes of meetings**

- 6.1 The Company Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee within ten working days of the meeting. Once approved, minutes should be tabled to the next available quarterly Board meeting (for information purposes only) unless it would be inappropriate to do so in the opinion of the Committee Chairperson.

**7. Annual General Meeting**

The Chair of the Committee shall attend the Annual General Meeting and be prepared to answer any shareholder questions on the Committee's activities and matters within the scope of the Committee's responsibilities.

**8. Duties**

The Committee should carry out the duties detailed below:

- 8.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board regarding any changes;
- 8.2 give full consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- 8.3 keep under review the leadership needs of the organisation, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 8.4 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 8.5 be responsible for identifying, and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;

- 8.6 before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
- 8.6.1 consider open advertising and/or the services of an external search consultancy for the appointments of the Chair and NEDs and to help facilitate the search; if an external search consultancy is engaged it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.
  - 8.6.2 consider candidates from a wide range of backgrounds;
  - 8.6.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time to devote to the position considering the demands on director's time;
  - 8.6.4 consider any disclosures made by the candidates to determine independence including consideration of the following:
    - 8.6.4.1 whether the candidate has, or has had within the last three years, a material business relationship with the company or the investment adviser, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company or the investment adviser;
    - 8.6.4.2 has received or receives any remuneration from the Company;
    - 8.6.4.3 holds cross-directorships or has significant links with other members of the Board through involvement in other companies or bodies; or
    - 8.6.4.4 represents a significant shareholder.
- 8.7 for the appointment of a Chairperson, the Committee should prepare a job specification (if required), including the time commitment expected and a proposed Chairperson's other significant commitments should be disclosed to the Board before appointment. Any changes to the Chairperson's commitments should also be reported to the Board, as they arise;
- 8.8 prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 8.9 ensure that on appointment to the Board, Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
- 8.10 review the results of the Board performance evaluation process that relate to the composition of the Board;

- 8.11 review annually the time required from non-executive Directors. Performance evaluation should be used to assess whether the non-executive Directors are spending enough time to fulfil their duties; and
- 8.12 work and liaise as necessary with all others Board committees.

The Committee shall also make recommendations to the Board concerning:

- 8.12.1 formulating plans for succession for non-executive Directors and, in particular, the role of the Chairperson as each board should determine and disclose a policy on the tenure of the Chair. A clear rationale for the expected tenure should be provided, and the policy should explain how this is consistent with the need for regular refreshment and diversity;
- 8.12.2 suitable candidates for the role of senior independent Director or the Deputy Chairperson;
- 8.12.3 the re-election by shareholders of Directors under the annual re-election provisions in the Association of Investment Companies' ("AIC") Corporate Governance Code, having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond nine years);
- 8.12.4 membership of the Audit Committee, and any other Board Committees as appropriate, in consultation with the Chairpersons of those Committees; and
- 8.12.5 any matters relating to the continuation in office of any Director at any time.

## **9. Reporting responsibilities**

- 9.1 The Committee Chairperson shall report to the Board on its proceedings at the Quarterly Board or any other earlier relevant Board meeting on all matters within its duties and responsibilities;
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 9.3 The Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external search consultancy or open advertising has been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company; and
- 9.4 The report referred to in 9.3 above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

## **10. Other matters**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and external advisers for assistance as required;
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members if deemed to be appropriate;
- 10.3 give due consideration to laws and regulations, the provisions of the AIC Corporate Governance Code and the requirements of the UK Financial Conduct Authority ("FCA"), Prospectus and FCA's Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate; and
- 10.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

**11. Authority**

The Committee is authorised to:

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