



Infratil Risk Management Policy

1 Introduction

Managing risk is an integral part of doing business. Risk cannot be eliminated, but it should be clearly understood to ensure that the risks taken are appropriate for the returns anticipated and the risk appetite of the business.

We are committed to maintaining an effective approach to risk management as a key mechanism to realise strategic goals and protect and enhance tangible and intangible value.

2 Application

This risk management Policy applies to the Infratil Group and all its related entities ("Infratil"). The Framework applies to all risk activities for Infratil and its 100% wholly owned entities but does not apply to Infratil's other subsidiaries and associates ("Portfolio Entities"). Infratil expects each of its Portfolio Entities to adopt Risk Management processes consistent with this Policy.

3 Purpose

The purpose of this policy is to outline the responsibilities for, principles, and methodologies supporting the effective management of enterprise risk.

The objectives of this Risk Management Policy (the "**Policy**") are to:

- (a) assist with the proactive identification, assessment, measurement, management and reporting of risk; and
- (b) identify who is responsible for managing, executing and monitoring risk.

4 Risk Management Framework

A Risk Management Framework is the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects. It is a process that involves the systematic application of management policies, procedures and practices to the tasks of establishing the context and identifying, analysing, evaluating, responding, monitoring and communicating risk.

Infratil's Board (the "Board") has identified risk categories against which it has defined a risk appetite ("Risk Appetite"), which will continue to be monitored and assessed. The Board's Risk Appetite across these categories of risk is within the scope of this Policy.

The purpose of effective risk management is to drive value in the business by reducing uncertainty and improving the likelihood of successful outcomes for decision making, projects and enterprise activities.

The approach to risk management is based on the following core elements:

- (a) **Risk(s):** An internal or external factor(s) that pose a potential threat or opportunity to Infratil's ability to achieve its objectives. It is measured in terms of likelihood and impact.
- (b) **Risk Appetite:** The Board, at the recommendation of the Manager, approves the Risk Appetite; this is captured in Risk Appetite statements. The Board defines its Risk Appetite as the amount of risk the Board finds acceptable for Infratil to take in the pursuit of its strategic objectives.
- (c) **Principal Risk Categories:** The Infratil Audit & Risk Committee ("ARC") will review Infratil's Risks across its Principal Risk Categories on a regular basis (approximately annually) to ensure decision making is made on a risk-aware basis.
- (d) **Key Risk Indicators:** Infratil identifies and monitors Key Risk Indicators against the Principal Risk Categories to gauge the exposure of Infratil to its Risks and whether it is operating within Board Risk Appetite.
- (e) **Policy implementation:** Infratil ensures that policies are implemented and/or maintained for identification, monitoring, measurement and management of Risks.

5 Monitoring and Evaluation

Monitoring of Infratil's Risks in accordance with this Policy is part of Infratil's day to day management activities and is the primary responsibility of Morrison employees "the Manager". On an approximately six-monthly basis, a report will be produced for the ARC which identifies Infratil's extreme and high risks (after controls).

6 Risk culture

The Board encourages a risk culture in which Risks are proactively identified, transparently shared and where focus is placed on understanding root causes and taking effective action to ensure Risks are managed effectively.

To enable an effective risk culture, risk is incorporated as part of regular investment, asset management and operational processes.

7 Roles and Responsibilities

7.1 Board Responsibility

The Board has overall responsibility for risk management for Infratil. Specifically, the Board will:

- (a) review and approve each Risk Appetite Statement;
- (b) review and approve the Risk Management Policy;
- (c) review and approve the Principal Risk Categories;
- (d) maintain and follow a risk management framework that ensures:
 - i. the risk management process is included whenever key decisions are made;
 - ii. Risks are identified and evaluated (against approved risk criteria);
 - iii. effective responses and control activities are developed for identified Risks; and
 - iv. appropriate monitoring and timely re-evaluation of Risks takes place.

7.2 Audit and Risk Committee Responsibility

The Audit and Risk Committee (“**ARC**”) of Infratil will:

- (a) ensure that Infratil maintains an enterprise risk register;
- (b) approve and maintain the enterprise risk criteria;
- (c) review the enterprise risk criteria; and
- (d) review an enterprise risk report, including all extreme and high residual risks, approximately six-monthly.

The ARC has responsibility for monitoring compliance and reviewing and recommending any exceptions to Policy to the Board (if practicable) or the Chair for approval. Extreme residual risks will be communicated to the Board by the ARC.

7.3 The Manager

All Morrison employees involved with Infratil play a role in the effective identification and management of Risks. Each business unit specialist (i.e., Asset Management teams, Finance, Treasury, Sustainability Legal, Tax) is encouraged to identify and manage the Risks evident in their area of business. Specialists may appoint risk owners who are responsible for ensuring that the Risks in their business area are effectively managed.

Members of the Manager's Infratil team have responsibility for effective risk management within their business area.

The Treasury and Risk Manager is responsible for managing the enterprise risk register, facilitating Infratil's identification of Risks and facilitating each team's development of risk treatment strategies and plans, via training and collaboration.

7.4 Reporting and Review

The Manager provides the ARC enterprise risk reporting approximately semi-annually to demonstrate the operation of the Risk Management Framework. The Risk Management Policy should be reviewed approximately bi-annually alongside Risk Appetite Statements, in addition, the Risk Management Framework may be subject to periodic review.

Policy Control Information

Authority to approve	Board
Policy owner	Treasury & Risk Manager
Authority for exemptions	Audit & Risk Committee recommends to the Board (if practicable) or the Chair for approval
Author	Treasury & Risk Manager
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Version Control

Version	Revision Date	Author	Description
1.0	February 2024	Treasury & Risk Manager	Initial Policy

Related Documents

Document Title
Risk Management Framework
Ethics Policy and Code of Conduct
Privacy Policy
Supplier Code of Conduct
Disclosure and Communications Policy
Treasury Policy