

Infratil Limited  
Attention: Alison Gerry (Chair)  
Level 1, 122 Quay Street  
Auckland 1010

27 June 2023

Dear Alison,

Further to your request, Infratil Limited (Infratil) has engaged Ernst & Young Limited (EY) to prepare a letter in relation to Non-Executive Director (NED) fees. We confirm our letter has been prepared independently and is not subject to any influence from the management or any Board member of Infratil or any third party.

The findings summarise the market positioning of Infratil's Chair and other NED fees compared to the market data from the determined comparator group. Fees are assessed as being 'at' the relevant market reference point if positioned within 10% of the market data reference point.

Infratil requested EY benchmark its NED fees against a comparator sample selected independently by EY and agreed with Infratil in June 2023. The comparator sample is comprised of 20 organisations, of which half are based in New Zealand and the other half in Australia. The market information pertaining to fee policy within the comparator group has been primarily sourced from publicly available data from the most recent annual reports. Fees have been converted to NZD using the exchange rates as at the date of the analysis (22 June 2023) of 1 New Zealand Dollar = 1.0939 Australian Dollars<sup>1</sup>. A full list of the comparator group organisations is listed on page 2 of this report.

## Board Chair and other NED fee positioning

Table 1 below compares Infratil's Board Chair fee policy and NED fee policy to the agreed comparator group.

	Infratil	Market data				
		25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile	Average	Sample size
Chair	286,100	274,247	327,983	405,293	354,699	20
Other NEDs	137,400	123,521	150,273	176,337	150,150	20
Assets (\$m)	9,851	5,471	6,538	9,783	8,300	20
Market capitalisation (\$m)	7,838	4,046	7,972	10,730	7,837	20

- ▶ Infratil's Chair fee policy is aligned to the 25<sup>th</sup> percentile of the comparator group
- ▶ Infratil's other NED fee policy is are between the 25<sup>th</sup> percentile and the median of the comparator group
- ▶ Infratil's assets are aligned to the 75<sup>th</sup> percentile and equate to 151% of the median of the comparator group
- ▶ Infratil's market capitalisation is aligned to the median of the comparator group.

<sup>1</sup> Source: <https://www.rbnz.govt.nz/statistics/b1> (22 June 2023)

## Comparator group (n = 20)

Organisation	Assets (\$millions)	Market Capitalisation (\$ millions)
Abacus Property Group (AUS)	5,915	2,591
Air New Zealand Limited	8,350	2,661
Allkem Limited (AUS)	7,121	9,819
APA Group (AUS)	17,323	13,195
Atlas Ateria Group (AUS)	5,219	10,314
Auckland International Airport	10,153	12,416
Chorus Limited	5,846	3,718
Contact Energy Limited	5,166	6,162
Cromwell Property Group (AUS)	5,529	1,620
EBOS group limited	6,264	7,137
Fisher & Paykel Healthcare Corporation Limited	2,107	14,067
Fletcher Building Limited	8,421	4,064
IGO Limited (AUS)	5,300	11,978
LendLease Group (AUS)	18,707	5,904
Mercury NZ limited	9,660	8,806
QUBE Holding Limited (AUS)	6,087	5,965
Spark	4,189	9,484
Vector	6,812	3,990
Vicinity Centres (AUS)	17,013	9,971
Washington H. Soul Pattinson and Company Limited (AUS)	10,816	12,873
25 <sup>th</sup> percentile	5,471	4,046
Median	6,538	7,972
75 <sup>th</sup> percentile	9,783	10,730
<b>Infratil Limited</b>	<b>9,851</b>	<b>7,838</b>

Thank you for the opportunity to assist Infratil with this assignment.

Yours sincerely



Una Diver  
Partner - People Advisory Services  
Ernst & Young Limited

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Our report may be relied upon by Infratil Limited for the purpose of understanding market remuneration only pursuant to the terms of our engagement letter dated 12 January 2023. We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.

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