



# Remuneration Policy

## Introduction and Purpose

Infratil's remuneration policy is guided by the principle that remuneration of Directors and executives should be transparent, fair and reasonable, whilst also acknowledging the importance of offering competitive remuneration for its Directors and executives to ensure that Infratil attracts and retains high calibre Directors and executives who have the skills, experience and knowledge to increase entity value, to the benefit of all shareholders.

This policy applies to Directors and sets out Infratil's expectations for Portfolio Entities to adopt in relation to the remuneration of their executives.

## Director Remuneration

The total remuneration available to Directors (in that capacity) is approved by Shareholders from time to time. The Board determines the level of remuneration paid to Directors within the amounts approved by Shareholders (the approved collective pool).

Directors are paid a base fee and may also be paid, as additional remuneration:

- an appropriate extra fee as Chair or Member of a Board Committee; and
- an appropriate extra fee for any special service as a Director as approved by the Board.

The Board will, from time to time, but normally biennially, review the level of Directors' remuneration, taking into account:

- An independent assessment of the competitive market;
- Infratil's remuneration practices compared with similar companies and market trends in New Zealand and Australia, taking into account the size and complexity of Infratil's business;
- The competitiveness of the prevailing level of remuneration and its ability to meet the remuneration policy objective of attracting and retaining high quality directors; and
- Changes in Directors' workloads.

Under Infratil's Constitution, Directors are not required to hold shares in Infratil. However, in recognition of the benefits of aligning Directors' interests with those of shareholders, Directors are encouraged, subject to compliance with relevant laws and the NZX Listing Rules, to acquire and hold shares in Infratil. All Directors who take up this option either hold those shares themselves or those shares are held on their behalf by associated parties. Directors will not normally be expected to make investments in investment areas targeted by Infratil.

## Manager Remuneration

The day-to-day management of Infratil has been delegated to Morrison, under a Management Agreement. The Management Agreement sets out the terms of the services provided by Morrison and the basis of fees, including base fees and incentive fees. Details of fees paid to Morrison are disclosed in the Annual Report.

Infratil's management includes people employed by Morrison, including the Chief Executive and Chief Financial Officer. Those people are remunerated by Morrison, and the only cost to Infratil of these people is the Management Fee payable to Morrison. The Chief Executive is not paid any fees for his or her services as a Director.

## **Portfolio Entity Executive Remuneration**

In line with Infratil's strategic vision and performance objectives, Infratil's expectation is that all Portfolio Entities should adopt remuneration policies for their executives which set remuneration at levels that are fair, equitable ('equal pay for equal work') and reasonable in a competitive market, and that include elements that are dependent on the Portfolio Entity's performance (including non-financial performance (for example, ESG factors) which are identified as integral to the company's strategy), and the performance of the individual.

Establishing appropriate remuneration policies is complex and each Portfolio Entity is expected to have a policy that is appropriate for its business and consistent with relevant laws and regulation – there is no "one-size-fits-all" methodology for establishing a framework for remuneration.