



Infratil Approach to Managing Portfolio Companies

December 2024

1. Overview

Infratil considers active asset management to be fundamental to the preservation of capital and delivery of strong investment returns. Our approach underpins the performance demonstrated in our track record and reflects our heritage of making control investments in assets where strategy and business plan delivery are core to value creation. The Infratil board plays a key role in overseeing the strategic direction of the portfolio including approving and monitoring the strategic direction of the company, including capital management, capital structure, risk management and approving all investments and divestments

The day-to-day management responsibilities of Infratil have been delegated to Morrison Infrastructure Management Limited ('Morrison') under a [Management Agreement](#).

2. The role of Morrison

Infratil's asset management process, led by Morrison, begins during the investment due diligence process. It starts with a clear and well-articulated investment strategy and business plan and is supported by transition planning for the post-completion phase of an acquisition.

Accountability for the performance of specific assets is assigned directly to individual Morrison executives. Following a transaction, key deal team members continue their involvement into asset management post-acquisition. Other executives are drawn from across functional and operational roles within Morrison to support where required and as the asset grows within the portfolio.

While strong governance, financial oversight and sustainability are key elements of our asset management process, we additionally draw on our operational and sector expertise to:

- maximise value and deliver out-performance on portfolio investments;
- identify and drive specific operational and financial improvements;
- respond nimbly to fast-moving opportunities and risks; and
- identify and support the development of organic and proprietary investment opportunities that are hard to access as stand-alone investment opportunities.

The Morrison executives appointed to the board of a portfolio company ("Asset Directors") are accountable for its performance, with the support of a nominated investment team member – a role that we term the 'Responsible Person'.

In performing their roles, Asset Directors and Responsible Persons are able to draw on resources from across Morrison, including sector experts and sustainable investment

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specialists, tax and legal resources, the investment strategy and research team, and senior governance experts, as well as the broader investment team. Morrison also appoints experienced external directors where appropriate. These external appointees may be drawn from specialist sector advisors that Morrison has partnered with as part of the investment process.

3. Approach to Asset Management

The approach to asset management begins during the acquisition phase and is described further below.

3.1. Transition planning to maximise impact

We identify specific operational and financial improvements and incremental investment opportunities during due diligence. We aim to ensure continuity of team members from investment to asset management. We recognise the importance of exceptional management teams and undertake detailed assessment of management teams as early in the process as possible.

3.2. Application of 'whole of firm' resources

We create teams around each asset that bring to bear our operational and sector expertise including sector specialists, tax, legal, sustainable investment and research teams in addition to senior executives from the investment team.

3.3. Performance focused governance

We implement a governance structure that reflects excellent corporate governance and the requirements of the asset, including appointing asset directors with sector experience. Morrison executives appointed to the board are accountable for performance, with additional oversight from the Morrison Asset Management Committee.

3.4. Hands on approach to driving business performance

We go beyond the traditional asset management objectives of safeguarding value through governance frameworks and financial structuring to partner with management and deliver business performance against financial, operational and environmental, social and governance targets. This includes setting clear objectives for portfolio company management and ensuring that there is a regular process for assessing performance against these objectives, including ensuring incentives are aligned to shareholder outcomes.

3.5. Unlocking embedded optionality

We place value on our ability to manage through risk and complexity, unlock the value of potential future growth options, and deliver follow-on investment opportunities.

4. Morrison Asset Management Committee

Overseeing this approach is the Morrison Asset Management Committee ("AMC"). The AMC is comprised of senior Morrison executives with substantial tenure in the firm and a broad experience set that brings continuity to Morrison's asset management approach. Included on the AMC is the Infratil CFO, or a delegate.

The AMC provides a forum to:

- monitor performance, key developments and emerging risks, and strategies for each asset;
- provide advice to accountable executives into the management of these issues;
- ensure that appropriate Morrison resources are available to support where necessary;
- share best practice across the Morrison portfolio; and
- ensure that key risks are appropriately managed and that any substantial issues are raised to the Investment Committee for further discussion.