

INFRATIL

NOTICE OF MEETING 2018



THE SHAREHOLDERS OF INFRATIL LIMITED

27 July 2018

Shareholders have already received Infratil's 2018 Annual Report in which I, and Marko Bogoievski on behalf of the manager, Morrison & Co, comment on the activities of Infratil over the past year and on the future prospects for Infratil.

The Annual Meeting is in Wellington this year. A number of matters are to come before shareholders for voting at the Annual Meeting. These include:

- The re-election of myself and Mr Paul Gough as Directors.
- Setting the aggregate maximum fees payable to Directors by Infratil and any of its subsidiary companies.
- Authorisation for the Directors to fix the auditor's remuneration.

As mentioned above, there is a resolution this year in relation to directors' fees (the Board last obtained shareholder approval to increase the aggregate maximum remuneration payable to directors of Infratil and its subsidiaries at the 2015 AGM). The Board reviews directors' fees annually to ensure that fees do not fall out of step with the market and reflect the commitment required of an Infratil director, and this year has considered a range of sources for comprehensive director fees data (including the Institute of Directors Directors' Fee Report 2017). As a result of that review, the Board is proposing a modest increase to the directors' aggregate maximum fee pool of \$59,046, from \$940,923 to \$999,969 per annum (an increase of 6.3%). Further details of the directors' fees for which approval is sought are set out in the Notice of Meeting that follows.

The Notice of Meeting also includes a Disclosure Document (Annexure A) describing the Share Buyback Programme which Infratil has decided to continue. Your directors consider that, from time to time, buying back shares may be the best use of Infratil's funds. Accordingly, Infratil wishes to keep open that investment opportunity for the next 12 months, as it has done for a number of years.

I look forward to seeing you at the Annual Meeting, presenting our results and answering any questions you may have.

Yours sincerely



Mark Tume
Chairman

NOTICE OF ANNUAL MEETING

Notice is hereby given pursuant to section 120 of the Companies Act 1993 (“Act”) that the 2018 Annual Meeting of shareholders of Infratil Limited (“Company”) will be held in the Lambton Room, InterContinental Hotel, 2 Grey Street, Wellington on Friday, 24 August 2018, commencing at 2:30 pm.

BUSINESS

A. Chairman’s Introduction

B. Chief Executive’s Review

C. Presentation of the Annual Report for the year ended 31 March 2018 and the report of the auditor

To receive and consider the Annual Report of the Company for the year ended 31 March 2018. Shareholders will have an opportunity to raise questions on the Report and on the performance and management of the Company generally.

D. Resolutions

To consider and, if thought fit, pass the following ordinary resolutions:

1. **Re-election of Mr Mark Tume:** That Mark Tume be re-elected as a director of the Company.
2. **Re-election of Mr Paul Gough:** That Paul Gough be re-elected as a director of the Company.
3. **Directors’ remuneration:** That the aggregate maximum remuneration payable to all Directors (in their capacity as a director of the Company or any of its subsidiaries) be increased by \$59,046 from \$940,923 to \$999,969 per annum (plus GST or VAT, as appropriate).
4. **Auditor’s remuneration:** That the Board be authorised to fix the auditor’s remuneration.

ORDINARY RESOLUTIONS

Each resolution set out above is to be considered as a separate ordinary resolution. To be passed, each resolution requires a simple majority of votes of holders of ordinary shares of the Company, entitled to vote and voting.

PROXIES

Any shareholder of the Company who is entitled to attend and vote at the Annual Meeting may appoint a proxy to attend and vote instead of him or her. A proxy does not need to be a shareholder of the Company. The Chairman of the Meeting is prepared to act as proxy. Any undirected votes in respect of a resolution, where the Chairman of the Meeting is appointed as a proxy, will be voted in favour of the relevant resolution, other than when he or she is prohibited from voting on that resolution. A shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the shareholder does not specify the proportion of the shareholder’s voting rights each proxy is to represent, each proxy will be entitled to exercise half the shareholder’s votes.

To appoint a proxy you can complete and sign the enclosed Proxy Form and return it by delivery, mail, facsimile or scan and email to the share registrar of the Company or lodge online:

Delivery by hand:

Infratil Limited
C/- Link Market Services Limited
Level 11, Deloitte Centre
80 Queen Street
Auckland 1010, New Zealand

Mail:

Infratil Limited
C/- Link Market Services Limited
PO Box 91976
Victoria Street West
Auckland 1142, New Zealand

Facsimile: +64 9 375 5990

Scan and email: meetings@linkmarketservices.co.nz
Please put the words “Infratil Proxy Form” in the subject line for ease of identification

Online: You may lodge your proxy online, go to:
vote.linkmarketservices.com/IFT

You will require your holder number and FIN (New Zealand register) or your holder number and postcode (Australian register) to complete your vote.

A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by the share registrar or online appointment must be completed by no later than 48 hours before the start of the Annual Meeting, being 2.30 pm on 22 August 2018. Voting entitlements of the Annual Meeting will also be determined as at this time. Registered shareholders at that time will be the only persons entitled to vote at the Annual Meeting and only the shares registered in those holders’ names at that time may be voted at the Annual Meeting.

EXPLANATORY NOTES

RESOLUTIONS 1 AND 2: RE-ELECTION OF DIRECTORS

The Board of the Company considers that both Mr Tume and Mr Gough will be Independent Directors for the purposes of the NZX Main Board/Debt Market Listing Rules ("Rules") if re-elected to the Board.

- **Mark Tume (BBS, Dip Bkg Stud) – Chairman and Independent Director**

Mark Tume has been Chairman since 2013 and a Director since 2007. He is Chair of RetireAustralia and Te Atiawa Iwi Holdings and a director of the New Zealand Refining Company and Ngai Tahu Holdings Corporation. Mark is a professional director with experience in the infrastructure, energy and financial sectors, both in Australia and New Zealand. He has served on the boards of a number of public and private companies.

- **Paul Gough (BCom(Hons)) – Independent Director**

Paul Gough has been a Director since December 2012. He is a London-based New Zealander and Managing Partner of Private Equity fund, STAR Capital, which focuses on acquiring and developing asset-based businesses in Europe. Paul is a director of several international companies with experience across the transport, logistics, energy, financial services, property and healthcare sectors. Paul previously worked for Credit Suisse First Boston in New Zealand and London.

The Board supports the re-election of both Mr Tume and Mr Gough.

RESOLUTION 3: DIRECTORS' REMUNERATION

The Board's policy is to regularly review the level of directors' remuneration, to ensure that fees do not fall out of step with the market and reflect the commitment required of the Company's directors. The Board last obtained shareholder approval to increase the aggregate maximum remuneration payable to directors of the Company and its subsidiaries at the 2015 AGM (at which shareholders approved a directors' fee pool of \$940,923 per annum, plus GST/VAT).



Since the 2015 AGM, the Board approved a modest increase to the directors' fee structure for the year ending 31 March 2018 (details of which are set out in the Infratil Annual Report 2018) and Wellington International Airport has also increased the fees payable to its directors (one of whom, Ms Gerry, is also a director of Infratil). In addition, the Board has established the Manager Engagement Committee (information on which is also set out in the Infratil Annual Report 2018) and, given the responsibilities of this committee, the Board considers it appropriate that members of this committee are paid an additional committee fee for that role.

Accordingly, the Board recommends to shareholders an increase in the aggregate maximum quantum of fees paid to all Directors (in their capacity as a director of the Company or any of its subsidiaries) by \$59,046 from \$940,923 to \$999,969 per annum (plus GST or VAT, as appropriate). In reaching this recommendation, the Board has considered the experience and responsibility of the directors, the size and scope of the Company, the level of governance, and the consequent time commitment, and has also considered a range of sources for comprehensive director fees data (including the Institute of Directors Directors' Fee Report 2017).

This total fee pool may be divided among Directors in their capacities as directors of the Company and any of its subsidiaries as the Board deems appropriate. The existing fee structure, and the proposed initial fee structure if the increase to the Directors' fee pool is approved, is set out overleaf:

ANNUAL FEE STRUCTURE	2015 APPROVAL: EXISTING FEE LEVELS FY2018 (NZD)	2018 PROPOSAL: NEW FEE LEVELS FY2019 (NZD)	INCREASE
Base Fees:			
Chairman of the Board (inclusive of Committee fees)	200,000	210,000	10,000
Director	100,000	102,500	2,500
Overseas Director (P Gough)	124,876	127,998	3,122
Audit and Risk Committee Fees:			
Chair	20,000	20,000	Nil
Member	10,000	10,000	Nil
Nominations and Remuneration Committee Fees:			
Chair	Nil	Nil	Nil
Member	Nil	Nil	Nil
Manager Engagement Committee Fees:			
Chair (<i>ex officio</i> Chairman of the Board)	N/A	Nil	Nil
Member	N/A	7,500	7,500
Fee Pool Allocation: Fees paid to Directors in their capacity as Directors of the Company (paid by the Company)	780,923	819,969	39,046
Fee Pool Allocation: Fees paid to Directors in their capacity as directors of subsidiaries (paid by the subsidiary)	160,000	180,000	20,000
DIRECTORS' FEE POOL	940,923	999,969	59,046

NB: Amounts above exclude GST or VAT, where appropriate

The table on page 6 excludes any directors' fees paid to any Director as a director of Trustpower Limited or Tilt Renewables Limited (although, as at the date of this Notice of Meeting, no Director is also serving as a director of either of those companies). Although both Trustpower and Tilt Renewables are subsidiaries of Infratil, both are also separately listed on the NZSX Main Board. Accordingly, if in the future any Director is also a director of Trustpower or Tilt Renewables, Rule 3.5.1 requires any directors' fees paid to that Director in their capacity as a director of Trustpower or Tilt Renewables to be approved by the shareholders of Trustpower or Tilt Renewables (as applicable), but does not require those fees to be approved by shareholders in Infratil (and they do not get deducted from the fee pool above).

Pursuant to Rule 9.3.1 each director of Infratil and their respective Associated Persons (as that term is defined in the Rules) are disqualified from voting on this Resolution 3.

A disqualified person who is appointed as a proxy for a person who is entitled to vote may vote in accordance with the express direction of that person, but may not exercise a discretionary vote where direction is not given.

RESOLUTION 4: AUDITOR'S REMUNERATION

KPMG is automatically reappointed as auditor under section 207T of the Act. This resolution authorises the Board to fix the fees and expenses of the auditor.

PARTICULARS OF THE SHARE BUYBACK PROGRAMME

For many years, the Company has maintained a Share Buyback Programme. This programme has been successful in creating shareholder value and it is proposed that the Company continue it. The Share Buyback Programme needs to comply with the Rules. The Share Buyback Programme will be undertaken in accordance with Rule 7.6, and the primary intent is that shares be bought back as permitted by Rules 7.6.1(a) and (f) and the applicable provisions of the Act. This allows the Company to make any offer pursuant to the procedures detailed in Section 60(1)(b)(ii) of the Act, or through NZX's order matching market, or through the order matching market of a 'Recognised Stock Exchange' (as defined in the Rules) and in compliance with Section 63 of the Act.

The Company notifies shareholders that, in accordance with Sections 60(1)(b)(ii) or 63 of the Act, the Company may acquire up to a further 50,000,000 ordinary shares (approximately 8.9% of the outstanding ordinary shares, excluding treasury stock). These shares may be bought on-market or off-market, but the combined total of further on-market and off-market purchases will not exceed 50,000,000 ordinary shares. Off-market purchases will not be made from employees or directors of the Company or associated persons of directors.

The maximum price at which shares will be bought off-market is \$4.00 per share. The Company is not committing to buy shares at this or any other price and a decision as to any purchases will be made from time to time having regard to market conditions. No maximum price is specified for shares bought on-market, but the Company will always disclose the number of shares, and the price at which it bought them, whether on-market or off-market, before 9:30 am on the business day following the purchase being made.

Whether the purchases are on-market or off-market, the directors will regularly reassess the situation and seek to purchase shares at prices that in their view represent the best value for shareholders.

The directors believe that, depending on market conditions and the Company's then current share price, having the Share Buyback Programme in place is a positive way of improving shareholder value and is fair to the Company and all shareholders.

The disclosure document required under the Act follows as Annexure A.

ANNEXURE A: COMPANIES ACT DISCLOSURE DOCUMENT FOR SHARE BUYBACK PROGRAMME

In the 2017 Notice of Meeting, the Company advised shareholders of its intention to continue its Share Buyback Programme, reserving the right to acquire up to 50,000,000 of the Company's ordinary shares on issue. The maximum price of shares that could be bought off-market was \$3.70 per share, and no maximum price was specified for shares bought on-market. The Company has acquired 775,000 ordinary shares under the Share Buyback Programme since the 2017 Notice of Meeting.

It is considered appropriate for the Company to continue the previously notified Share Buyback Programme, but with a new maximum price of \$4.00 per share for shares bought off-market, and reserve the right to buy back up to a further 50,000,000 of the Company's ordinary shares on issue. This would represent approximately 8.9% of the outstanding ordinary shares, excluding treasury stock. These shares may be bought on-market or off-market, but the combined total of further on-market and off-market purchases may not exceed 50,000,000 ordinary shares. Off-market purchases may also not be made from employees or directors of the Company or associated persons of directors.

This Disclosure Document sets out the information that the Act requires be provided to shareholders annually while a Share Buyback Programme continues.

TERMS OF THE OFFER

On-market Buyback – Section 63 of the Act

- The Company may make one or more offers on the NZX Main Board market to all shareholders to acquire up to 50,000,000 ordinary shares in the Company, pursuant to section 63 of the Act.
- Offers may be made between 24 August 2018 and 31 July 2019.
- The Company will pay the prevailing market price for the shares at the time of purchase. The Company is not obliged to make offers, and reserves the right to cease doing so at any time.

Off-market Buyback – Section 60(1)(b)(ii) of the Act

- The Company may make offers to one or more shareholders to acquire up to 50,000,000 ordinary shares in the Company, pursuant to Section 60(1)(b)(ii) of the Act.
- Offers may be made between 24 August 2018 and 31 July 2019.
- The Company will pay the prevailing market price for the shares at the time of purchase. The price per share will not exceed \$4.00. The Company is not obliged to make offers, and reserves the right to cease doing so at any time.

- Buybacks made in compliance with Section 60(1)(b)(ii) of the Act will not be made from any person who is a Director, Associated Person of a Director or an Employee (as those terms are defined in the Rules) of the Company and will not exceed 15% of the shares on issue at 24 August 2018.

Other Information Applicable to Both On-market and Off-market Buybacks

- The Company will not purchase any shares while it possesses any information that is materially price-sensitive but not publicly available. If the Company has price sensitive information, it will cease acquiring shares until the information is publicly disclosed or ceases to be materially price sensitive.
- The Company intends to hold up to 5% of its shares as Treasury Stock, from those shares first acquired. Treasury Stock comprises shares acquired and held by the Company in itself and which would otherwise be cancelled on acquisition. Subject to certain restrictions, Treasury Stock can be transferred, re-issued or cancelled by the Company.
- All on-market offers will be designed so that the proceeds of sales will not be taxable as dividends whilst off-market offers may be taxable as dividends, and imputation credits will not be attached to the proceeds. Shareholders who have special tax status, as a result, for example, of trading securities professionally, should consult their tax advisers.

RESOLUTIONS

To initiate the proposed offer the Board unanimously resolved on 4 July 2018, amongst other things:

1. To continue the previously notified Share Buyback Programme beyond 31 July 2018, but with a new maximum price of \$4.00 per share for shares bought off-market, and reserve the right to make one or more offers on the NZX market to all shareholders to acquire up to a further 50,000,000 ordinary shares in the Company pursuant to Section 60(1)(b)(ii) (off-market buyback) and Section 63 (on-market buyback) of the Act in the period between 24 August 2018 and 31 July 2019.
2. To pay the prevailing market price for the shares at the time of purchase, but for the purchases made pursuant to Section 60(1)(b)(ii) of the Act, to pay not more than \$4.00 per share.

3. That in respect of any offer made pursuant to Section 60(1)(b) (ii) of the Act:
- the acquisition is in the best interests of the Company;
 - the acquisition is of benefit to the remaining shareholders;
 - the terms of the offer and the consideration offered for the shares are fair and reasonable to the Company; and
 - the terms of the offer and the consideration offered for the shares are fair and reasonable to the remaining shareholders.
4. That in respect of an offer made pursuant to Section 63 of the Act:
- the acquisition is in the best interests of the Company and its shareholders; and
 - the terms of the offer and the consideration offered for the shares are fair and reasonable to the Company and its shareholders.
5. That, for the purposes of buybacks effected under Resolution 3 or 4, the Directors are not aware of any information that will not be disclosed to the Company's shareholders:
- that is material to an assessment of the value of the shares; and
 - as a result of which the terms of the offer and consideration offered for the shares are unfair to the shareholders accepting the offer.
6. That the reasons for the Directors' conclusions in the Resolutions 3, 4 and 5 are:
- to maximise shareholder value. Acquiring shares when the share price is below \$4.00 may be considered by the Board (taking into account prevailing circumstances) to be an efficient use of capital; and
 - shareholders have total discretion to choose whether to participate in the buyback. There is no pressure to sell to the Company; and
 - the Company has in place reviews and procedures to ensure that it does not acquire shares during the period when material price sensitive information is known to the Company but is not available to shareholders.

7. That the Board is satisfied that the Company will, immediately after acquiring the shares, satisfy the solvency test applied under Section 52 of the Act.
8. That Marko Bogoievski, Mark Flesher, Phillippa Harford and Jason Boyes of Morrison & Co Infrastructure Management Limited (each acting alone) are hereby authorised to sign such documents and do such other things as may be necessary or appropriate to complete the buyback.
9. That until the Company holds shares in itself equating to 5% of the total number of shares on issue, such shares need not be cancelled but may be held as Treasury Stock by the Company itself.

DIRECTORS' INTERESTS

Ordinary Shares (as at 27 July 2018)

INFRATIL (IFT) ORDINARY SHARES	BENEFICIAL INTERESTS	NON-BENEFICIAL INTERESTS
M Tume	39,977	5,792
M Bogoievski	1,618,299	Nil
A Gerry	21,588	Nil
P Gough	159,000	Nil
P M Springford	25,000	Nil
H J D Rolleston	42,460	Nil

This Disclosure Document is provided pursuant to Sections 61(5) and 63(6) of the Act and complies with Sections 62 and 64 of the Act.

