

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 Dollars¹. 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 th percentile | Median | 75 th 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 25th percentile of the comparator group
- ▶ Infratil's other NED fee policy is are between the 25th percentile and the median of the comparator group
- ▶ Infratil's assets are aligned to the 75th 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.

¹ Source: <https://www.rbz.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 th percentile | 5,471 | 4,046 |
| Median | 6,538 | 7,972 |
| 75 th percentile | 9,783 | 10,730 |
| Infratil Limited | 9,851 | 7,838 |

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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