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2023 Notice of Meeting



The shareholders of Infratil Limited

19 July 2023

Shareholders have already received Infratil's 2023 Annual Report in which I, and the Chief Executive, Jason Boyes, on behalf of the manager, Morrison & Co, commented on the activities of Infratil over the past year and on the future prospects for Infratil.

Even though the Annual Report was published in May, there have been significant and positive developments since then, most notably the acquisition of the other 49.9% of One NZ and the \$935 million equity raise.

The Annual Meeting this year will be in Wellington but shareholders will also have the option to join the meeting online. We had intended to hold the meeting in Auckland, but accessible venues were unavailable. A number of matters are to come before shareholders for voting at the Annual Meeting. These include:

- The re-election of Peter Springford, and the election of Anne Urlwin, as Directors.
- Authorisation to give the Board the option to exercise Infratil's rights under the Management Agreement to issue shares to Morrison & Co to pay:
 - the third instalment of the FY2022 international portfolio annual incentive fee in 2024; and
 - the second instalment of the FY2023 international portfolio annual incentive fee in 2024.
- Setting the aggregate fees payable to Directors by Infratil.
- Authorisation for the Directors to fix the auditor's remuneration.

International portfolio annual incentive fees

As noted in Infratil's 2023 Annual Report, Morrison & Co earned a FY2023 international portfolio annual incentive fee of \$232.9 million. As a protection against the possibility of the relevant portfolio of investments subsequently falling in value, the FY2023 international portfolio annual incentive fee is payable over three years (in three instalments of ~\$54.6 million each) and, if the value of the relevant portfolio of investments at either of the subsequent two balance dates is lower than the 31 March 2023 valuation, that year's instalment will be reduced proportionately to reflect the lower valuation.

The FY2023 international portfolio annual incentive fee follows the FY2022 international portfolio annual incentive fee of \$99.7 million (payable in three instalments of ~\$33.2 million each) noted in Infratil's 2022 Annual Report.

The Management Agreement gives the Board the option to pay any instalment of an international portfolio incentive fee in cash or by issuing Infratil ordinary shares to Morrison & Co (the "scrip option"), or a mixture of both. However, under the NZX Listing Rules, the Board needs shareholder approval if it wishes to use the scrip option.

The Board has not made a decision whether to use the scrip option for any portion of the third instalment of the FY2022 incentive fee (to the extent payable) or the second instalment of the FY2023 international portfolio annual incentive fee (to the extent payable), but the Board would like to have both options available if the Board considers that issuing shares (rather than paying cash) would be in the best interests of Infratil.

At the 2022 Annual Meeting, shareholders approved the use of the scrip option in connection with the third instalment of the FY2021 incentive fee and the second instalment of the FY2022 international portfolio annual incentive fee. In May 2023 for the first time, the Board exercised the scrip option to satisfy \$60 million of the third tranche of the FY2021 incentive fee by issuing Infratil shares to Morrison & Co rather paying that amount in cash.

If shareholders do not approve the scrip option, the third instalment of the 2022 international portfolio annual incentive fee and the second instalment of the 2023 international portfolio annual incentive fee will be paid in cash to the extent that they become payable.

If the Board also wishes to have this option available for the third instalment of the FY2023 international portfolio annual incentive fee (payable in 2025), the Board will seek shareholder approval for this at the 2024 Annual Meeting.

Director Fees

The Board reviews directors' fees annually to ensure that fees do not fall out of step with the market, reflect the commitment required as an Infratil director and ensure that Infratil continues to attract high quality director candidates. This year the Board engaged EY to undertake a benchmarking exercise in order to assess the appropriateness of fees paid to Directors.

The last time shareholders approved an increase to the directors' fee pool was at the 2019 Annual Meeting with the increases to directors' fees implemented over a three-year period. For the directors' fees in FY2022, the Board approved a ~4.5% increase from within that pool.

Infratil operates in several significant sectors and has investments globally. The pace and complexity of Infratil's investment activity require a Board with the capability and commitment that is different from most of its peers on the NZX and ASX.

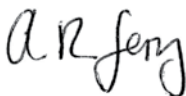
Amendments to the Management Agreement

As announced alongside the Annual Report, amendments to the Management Agreement were agreed and have now been documented with the Manager, Morrison & Co. The changes to the Management Agreement are not considered material by the Board (and have been assessed as likely to be beneficial to Infratil). Accordingly, they did not require shareholder approval under the NZX Listing Rules or Infratil's constitution.

Share Buyback Programme

The Notice of Meeting also includes a Disclosure Document (Annexure A) describing the Share Buyback Programme which Infratil has decided to continue. The Board considers that, from time to time, buying back shares may be the best use of Infratil's funds. Accordingly, Infratil wishes to keep open that opportunity to protect or maximise shareholder value 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.



Alison Gerry
Chair

Notice of Annual Meeting

Notice is hereby given pursuant to section 120 of the Companies Act 1993 that the 2023 annual meeting of shareholders (**Annual Meeting**) of Infratil Limited (Infratil) will be a hybrid meeting held in the Public Trust Hall, 131 Lambton Quay, Wellington on Thursday, 17 August 2023, and online at www.virtualmeeting.co.nz/ift23, commencing at 2:30 pm (New Zealand Time).

Online participation details are set out on pages 6 to 8.

Business

A. Chair's Introduction

B. Chief Executive's Review

C. Presentation of the Annual Report for the year ended 31 March 2023 and the report of the auditor

To receive and consider the Annual Report of Infratil for the year ended 31 March 2023. Shareholders will have an opportunity to raise questions on the Report and on the performance and management of Infratil generally.

D. Resolutions

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

1. **Re-election of Peter Springford:** That Peter Springford be re-elected as a director of Infratil.
2. **Election of Anne Urlwin:** That Anne Urlwin be elected as a director of Infratil.
3. **Payment of FY2022 Incentive Fee by Share Issue (2022 Scrip Option):** That Infratil be authorised to issue to Morrison & Co Infrastructure Management Limited (**Morrison & Co**), within the time, in the manner, and at the price, prescribed in the Management Agreement, such number of fully paid ordinary shares in Infratil (**Shares**) as is required to pay all or such portion of the third instalment of the 2022 Incentive Fee (to the extent payable) as the Board elects to pay by the issue of Shares (**2022 Scrip Option**), and the Board be authorised to take all actions and enter into any agreements and other documents on Infratil's behalf that the Board considers necessary to complete the 2022 Scrip Option.
4. **Payment of FY2023 Incentive Fee by Share Issue (2023 Scrip Option):** That Infratil be authorised to issue to Morrison & Co Infrastructure Management Limited (**Morrison & Co**), within the time, in the manner, and at the price, prescribed in the Management Agreement, such number of fully paid ordinary shares in Infratil (**Shares**) as is required to pay all or such portion

of the second instalment of the 2023 Incentive Fee (to the extent payable) as the Board elects to pay by the issue of Shares (**2023 Scrip Option**), and the Board be authorised to take all actions and enter into any agreements and other documents on Infratil's behalf that the Board considers necessary to complete the 2023 Scrip Option.

5. **Directors' remuneration:** That the maximum aggregate remuneration pool available for payment to all Directors (in their capacity as a director of Infratil and certain of its subsidiaries) for each financial year commencing on or after 1 April 2023, be increased by \$196,125 from \$1,329,375 to \$1,525,500 per annum (plus GST or VAT, as appropriate), to be divided among the Directors as the Board determines.
6. **Auditor's remuneration:** That the Board be authorised to fix the auditor's remuneration.

Ordinary Resolutions

Each resolution 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 Infratil, entitled to vote and voting.

Voting Restrictions

Under Listing Rule 6.3.1 and Listing Rule 6.3.3, any person to whom it is proposed to issue new Shares referred to in a resolution under Listing Rule 4.2.1, and any associated person of that person, are disqualified from voting in favour of the resolution, but may act as a proxy or voting representative for another person who is qualified to vote on the resolution, and in accordance with that person's express instructions. Discretionary proxies given to persons disqualified from voting will not be valid.

Resolutions 3 and 4 relate to the issue of Shares to Morrison & Co. The related companies, direct or indirect securityholders, directors and some employees of Morrison & Co (or its related companies) are associated persons of Morrison & Co. Accordingly, none of Morrison & Co, its related companies, the direct or indirect securityholders, directors or any employees of Morrison & Co, will vote their Shares in respect of either of Resolutions 3 and 4, but may act as a proxy or voting representative for a person who is qualified to vote on either of Resolutions 3 and 4, in accordance with that person's express instructions.

Voting Restrictions that apply in respect of Resolution 5

Under Listing Rule 6.3.1 and Listing Rule 6.3.3, any person to whom it is proposed receive a payment or benefit in respect of the matter being the subject of a resolution under Listing Rule 2.11, and any associated person of that person, are disqualified from voting in favour of that resolution, but may act as a proxy or voting representative for another person who is qualified to vote on the resolution, and in accordance with that person's express instructions.

Resolution 5 relates to the payment of fees to Infratil's Directors. Accordingly, none of the Directors or their associated persons will vote their Shares in respect of Resolution 5, but may act as a proxy or voting representative for another person who is qualified to vote on Resolution 5, in accordance with that person's express instructions.

Voting and Proxies

As the 2023 Annual Meeting will be a hybrid meeting with physical and online participants, voting on all resolutions put before the meeting will be by poll. Results of the voting will be available after the conclusion of the meeting, and will be notified on the NZX and ASX. Your right to vote may be exercised by:

- (a) Attending and voting in person at the Annual Meeting at Public Trust Hall, 131 Lambton Quay, Wellington.
- (b) Attending the Annual Meeting, and voting, online.
- (c) Appointing a proxy (or representative) to attend and vote in your place.

Online participation in meeting

To participate in the meeting online, please go to www.virtualmeeting.co.nz/ift23.

Shareholders present at the Annual Meeting (either in person or via the Virtual Annual Meeting) will have the opportunity to ask questions during the Annual Meeting. If you cannot attend the Annual Meeting and choose to participate in the Annual Meeting online, you can submit a question online by going to vote.linkmarketservices.com/IFT and completing the online validation process. Questions can be submitted via the online chat function either in advance of, or during, the Annual Meeting. You will need your shareholder number, found on your proxy form, for verification purposes.

Shareholders can also submit written questions in advance of the Annual Meeting by completing the question section on the Proxy form – refer to the Proxies section below – and returning the form to Link Market Services (as detailed below).

More information about participating in the meeting online (including how to vote and ask questions virtually during the meeting) can be found in the Virtual Annual Meeting Online Portal Guide, which is available at <https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>. If you wish to participate in the meeting online, we recommend that you join the queue ~15 minutes prior to the start of the meeting in order for your details to be verified.

Proxies

Any shareholder of Infratil 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 Infratil. The Chairperson of the Meeting is prepared to act as proxy. Any un-directed votes in respect of a resolution, where the Chairperson 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 (and/or to submit a written question in advance of the Annual Meeting) you can complete and sign the enclosed Proxy Form and return it by delivery by hand, mail or scan and email to the share registrar of Infratil or lodge online:

Delivery by hand:

Infratil Limited
C/- Link Market Services Limited
Level 30, PwC Tower
15 Customs Street West
Auckland 1010
New Zealand

Mail:

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

Scan and email:

meetings@linkmarketservices.com
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. A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website. You will require your holder number and FIN (New Zealand register) or your holder number and postcode (Australian register) to complete your vote.

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 2.30pm New Zealand Time on Tuesday, 15 August 2023. 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

Item D - Resolutions

Resolution 1: Re-Election of Director

The Board of Infratil considers that Peter Springford will be an Independent Director for the purposes of the NZX Listing Rules (**Listing Rules**) if re-elected to the Board.

- **Peter Springford – Independent Director**

Peter Springford joined the Board in 2016, and is also a director of Zespri and has extensive experience in managing companies in Australia, New Zealand and Asia, including five years based in Hong Kong as President of International Paper (Asia) Limited and four years as Chief Executive Officer and Managing Director of Carter Holt Harvey Limited.

The Board supports the re-election of Peter.

Resolution 2: Election of Director

The Board of Infratil considers that Anne Urlwin will be an Independent Director for the purposes of the Listing Rules if elected to the Board.

- **Anne Urlwin - Independent Director**

Anne Urlwin joined the Board as an independent director on 1 January 2023. She is a chartered accountant and an experienced finance and governance professional. Her current directorships include Precinct Properties, Vector and Ventia and she has previously been a director of Summerset Holdings, Tilt Renewables, Chorus and Meridian Energy. Anne is Chair of the Audit and Risk Committee and has a significant accounting, financial, risk and sustainability background.

The Board supports the election of Anne.

Resolutions 3 & 4: Share Issue – FY2022 Incentive Fee and FY2023 Incentive Fee

The Board is seeking shareholder approval in accordance with Listing Rules 4.1.1 and 4.2.1 to provide the Board with the following options:

- The option (**2022 Scrip Option**) to issue to Morrison & Co such number of ordinary shares in Infratil (**Shares**) as is required to pay the third instalment (or any portion of it) of the FY2022 international portfolio annual incentive fee (**FY2022 Incentive Fee**).
- The option (**2023 Scrip Option**) to issue to Morrison & Co such number of Shares as is required to pay the second instalment (or any portion of it) of the FY2023 international portfolio annual incentive fee (**FY2023 Incentive Fee**).

The Management Agreement between Infratil and Morrison & Co Infrastructure Management Limited dated 11 February 1994, as amended (**Management Agreement**) gives the Board the option to pay incentive fees in cash or by issuing Shares to Morrison & Co, or a mixture of both. The Board has not made a decision whether to use the 2022 Scrip Option for the third instalment of the FY2022 Incentive Fee (to the extent payable) or the 2023 Scrip Option for the second instalment of the FY2023 Incentive Fee (to the extent payable), but the Board would like to have both options available if the Board considers that to be in the best interests of Infratil.

More information on the 2022 Scrip Option, the 2023 Scrip Option, the FY2022 Incentive Fee and the FY2023 Incentive Fee is set out below.

Incentive Fees under the Management Agreement

The Management Agreement provides for the payment of incentive fees relating to “Non-New Zealand Portfolio Securities” (including “Australian Portfolio Securities”). No incentive fees are paid on New Zealand assets.

Incentive fees (**International Portfolio Incentive Fees**) are payable to Morrison & Co on realised or sustained increases in the value of the portfolio of “Non-New Zealand Portfolio Securities” (including “Australian Portfolio Securities”). The Management Agreement provides for three different incentive fees to be payable being the equivalent of 20% of the performance in excess of a minimum hurdle of 12% per annum:

- International Portfolio Initial Incentive Fees;
- International Portfolio Annual Incentive Fees; and
- International Portfolio Realised Incentive Fees.

The provisions for the International Portfolio Incentive Fees (together with the definitions of “Non-New Zealand Portfolio Securities” and “Australian Portfolio Securities”) are set out in full in the Management Agreement, a copy of which is available on the Infratil website at <https://infratil.com/about-infratil/board/#our-governance-documents>.

FY2022 Incentive Fee

In FY2022, Morrison & Co earned an International Portfolio Annual Incentive Fee of \$99.7 million pursuant to clause 9.4.3 of the Management Agreement (**FY2022 Incentive Fee**). The process under the Management Agreement (with relevant modifications as agreed between the Board and Morrison & Co) for determining the FY2022 Incentive Fee was payable, and for calculating the amount of the FY2022 Incentive Fee, is summarised below:

- Infratil's Non-New Zealand Portfolio Securities which have been owned for more than three years (**FY2022 International Portfolio Assets**) were valued as at 31 March 2022 by specialist independent valuers. The independent valuations are undertaken to assess the proceeds Infratil would receive were it to sell the FY2022 International Portfolio Assets, net of all transaction costs and applicable taxes.
- The independent valuations determined that the FY2022 International Portfolio Assets has delivered a return (in NZ\$) of over 12% per annum, and the \$99.7 million FY2022 Incentive Fee payable to Morrison & Co is equivalent to 20% of the value determined above the 12% return.
- As a protection against the possibility of the FY2022 International Portfolio Assets falling in value, clause 9.4.4 of the Management Agreement requires the FY2022 Incentive Fee to be divided into three equal annual instalments of ~\$33.2 million each, with payment spread over three years and the second and third instalments contingent on the FY2022 International Portfolio Assets not falling in value:
 - The first instalment was paid in cash in May 2022 (following finalisation of the 31 March 2022 independent valuations).
 - The second instalment was paid in cash in April 2023 (following finalisation of the 31 March 2023 independent valuations).
 - The FY2022 International Portfolio Assets will be valued again as at 31 March 2024, using the same independent valuation process as in 2022 and 2023. The third instalment is only paid if the independent valuations of the FY2022 International Portfolio Assets determines that the value of those assets as at 31 March 2024 is not less than the value of those assets as at 31 March 2022. If the value of the FY2022 International Portfolio Assets is less, then the third instalment is cancelled (and will never be payable).

More information regarding the FY2022 Incentive Fee can be found in Infratil's 2022 Results Announcement and 2022 Annual Report (both available on the Infratil website at <https://infratil.com/for-investors/reports-results-meetings-investor-days/>).

FY2023 Incentive Fee

In FY2023, Morrison & Co earned an International Portfolio Annual Incentive Fee of \$232.9 million pursuant to clause 9.4.3 of the Management Agreement (**FY2023 Incentive Fee**). The process under the Management Agreement (with relevant modifications as agreed between the Board and Morrison & Co) for determining the FY2023 Incentive Fee was payable, and for calculating the amount of the FY2023 Incentive Fee, is summarised below:

- Infratil's Non-New Zealand Portfolio Securities which have been owned for more than three years (**FY2023 International Portfolio Assets**) were valued as at 31 March 2023 by specialist independent valuers. The independent valuations are undertaken to assess the proceeds Infratil would receive were it to sell the FY2023 International Portfolio Assets, net of all transaction costs and applicable taxes.
- The independent valuations determined that the FY2023 International Portfolio Assets has delivered a return (in NZ\$) of over 12% per annum, and the \$232.9 million FY2023 Incentive Fee payable to Morrison & Co is equivalent to 20% of the value determined above the 12% return.
- As a protection against the possibility of the FY2023 International Portfolio Assets falling in value, clause 9.4.4 of the Management Agreement requires the FY2023 Incentive Fee to be divided into three equal annual instalments of ~\$54.6 million each, with payment spread over three years and subject to proportionate adjustment for a reduction in the value of the FY2023 International Portfolio Assets:¹
 - The first instalment was paid in cash in May 2023 (following finalisation of the 31 March 2023 independent valuations).
 - The FY2023 International Portfolio Assets will be valued again as at 31 March 2024, using the same independent valuation process as in 2023. If the independent valuation of the FY2023 International Portfolio Assets determines that the total value of those assets as at 31 March 2024 is lower than the valuation of those assets as at 31 March 2023, then the amount of the second tranche of the FY2023 Incentive Fee shall be reduced proportionately to reflect the reduction in value of those assets.
 - The FY2023 International Portfolio Assets will be valued again as at 31 March 2025, using the same independent valuation process as in 2023 and 2024. If the independent valuation of the FY2023 International Portfolio Assets determines that the total value of those assets as at 31 March 2025 is lower than the valuation of those assets as at 31 March 2023, then the amount of the third tranche of the FY2023 Incentive Fee shall be reduced proportionately to reflect the reduction in value of those assets.

1. The FY2023 Incentive Fee is the first International Portfolio Annual Incentive Fee to which the amendments to the Management Agreement shall apply when determining whether the second and third tranche of that FY2023 Incentive Fee is payable. For the avoidance of doubt, the amendments to the Management Agreement do not apply to determining whether the third tranche of the FY2022 Incentive Fee is payable following the valuation as at 31 March 2024, which will be determined in accordance with the Management Agreement in force prior to the recent amendments taking effect.

More information regarding the FY2023 Incentive Fee can be found in Infratil's 2023 Results Announcement and 2023 Annual Report (both available on the Infratil website at <https://infratil.com/for-investors/reports-results-meetings-investor-days/>).

Scrip Option

Clause 9.6 of the Management Agreement gives the Board the option to pay any instalment of the FY2022 Incentive Fee or the FY2023 Incentive Fee either in cash or by issuing Shares to Morrison & Co (the Scrip Option), or a mixture of both. If the Board uses the Scrip Option:

- The number of Shares to be issued will be calculated by dividing the instalment (or the portion of the instalment fee to be paid by the issue of Shares) by 98% of the volume weighted average price (**VWAP**) of the Shares as traded on NZX over the 5 business days prior to the issue of the Shares (**Issue Price**).
- The Shares issued to Morrison & Co will be fully paid ordinary shares which will rank pari passu with the ordinary shares then on issue.
- Infratil must elect whether to pay cash or issue Shares within 7 days of receiving confirmation (by reference to the valuations of the FY2022 International Portfolio Assets or the FY2023 International Portfolio Assets as at 31 March in the relevant year) that the FY2022 Incentive Fee or FY2023 Incentive Fee instalment is payable. Where Infratil elects to issue Shares, it must allot the Shares within 12 business days after receiving confirmation that the FY2022 Incentive Fee or FY2023 Incentive Fee instalment is payable.

As noted above, the Board has not made a decision whether to use the Scrip Option for any or all of either the third instalment of the FY2022 Incentive Fee (to the extent payable) or the second instalment of the FY2023 Incentive Fee (to the extent payable). If shareholders approve the use of the Scrip Option, the Board will make a decision in 2024 whether to use Scrip Option for any or all of the third instalment of the FY2022 Incentive Fee or the second instalment FY2023 Incentive Fee when (and if) the Board is satisfied that some or all of the relevant instalment will be payable and that, based on the circumstances applying at the time, the Board considers that using the Scrip Option is in the best interests of Infratil. There are a range of factors that will be relevant to this decision, including market conditions, Infratil's then current share price, Infratil's available liquidity and available growth investments or new opportunities. The Board will not provide reasons if the Board does not elect to use the Scrip Option.

Consequences if the Scrip Option is not approved

If Resolutions 3 and 4 are not passed, Infratil will be required to pay each of the third instalment of the FY2022 Incentive Fee of ~\$33.2 million, and the second instalment of the FY2023 Incentive Fee of ~\$54.6 million in cash, if the independent applicable valuations of the FY2022 International Portfolio Assets or the FY2023 International Portfolio Assets determine that:

- in the case of the FY2022 International Portfolio Assets, the value of those assets as at 31 March 2024 is not less than the value of those assets as at 31 March 2022. If the value of those assets as at 31 March 2024 is less than the value of those assets as at 31 March 2022, then the third instalment of the FY2022 Incentive Fee will be cancelled and not payable; or
- in the case of the FY2023 International Portfolio Assets, the value of those assets as at 31 March 2024 is not less than the value of those assets as at 31 March 2023. If the value of those assets as at 31 March 2024 is less than the value of those assets as at 31 March 2023, then the second instalment of the FY2023 Incentive Fee will be reduced proportionately to reflect the reduction in value of those assets.

It is important for shareholders to note that payment of either of the third instalment of the FY2022 Incentive Fee or the second instalment of the FY2023 Incentive Fee does not require shareholder approval – shareholder approval is only required to allow the Board to use the Scrip Option. The consequences for payment of the third instalment of the FY2022 Incentive Fee and the second instalment of the FY2023 Incentive Fee if the Scrip Option is or is not approved are summarised below:

- **Scrip Option approved by Shareholders:** The Board has three options to pay the third instalment of the FY2022 Incentive Fee (to the extent payable) and/or the second instalment of the FY2023 Incentive Fee (to the extent payable):
 - Option A: The relevant instalment is paid in cash.
 - Option B: The relevant instalment is paid using the Scrip Option.
 - Option C: The relevant instalment is paid using a mixture of cash and the Scrip Option.
- **Scrip Option for either or both of the instalments not approved by Shareholders:** The Board will pay the third instalment of the FY2022 Incentive Fee (to the extent payable) and/or the second instalment of the FY2023 Incentive Fee (to the extent payable) in cash.

If the Scrip Option is approved, the effect on the Company and Shareholders if the Board does or does not elect to use the Scrip Option to pay some or all of the third instalment of the FY2022 Incentive Fee or the second instalment of the FY2023 Incentive Fee (assuming both such incentive fees are payable in full) are also summarised below:

- **Scrip Option used:** Infratil will issue new ordinary shares to Morrison & Co at the Issue Price, with the numbers of ordinary shares issued equal to the third instalment of the FY2022 Incentive Fee or the second instalment of the FY2023 Incentive Fee (or the portion of that for which the Board elects to use the Scrip Option) divided by the Issue Price. This issue of ordinary shares to Morrison & Co will increase the total number of ordinary shares on issue and therefore will dilute other Infratil shareholders, although the dilution will not be material. However, the issue of ordinary shares will also mean that Infratil is not required to pay cash to Morrison & Co for that amount, so Infratil's available liquidity will be higher than if the Scrip Option had not been used.

As an example, using the closing price of Infratil ordinary shares on NZX on 13 July 2023 and assuming (a) the total ordinary shares on issue (excluding treasury stock) is the same as at 13 July 2023 and (b) the Scrip Option is used for the full third instalment of the FY2022 Incentive Fee, then:

- Infratil would issue 3,395,208 ordinary shares to Morrison & Co.
 - This would increase the total ordinary shares on issue (excluding treasury stock) from 831,889,987 to 835,285,195.
 - This would dilute other Infratil shareholders by 0.41%.
- **Scrip Option not used:** Infratil will pay cash to Morrison & Co for the third instalment of the FY2022 Incentive Fee and the second instalment of the FY2023 Incentive Fee. This will mean that other Infratil shareholders are not diluted (because there is no issue of ordinary shares to Morrison & Co) but Infratil's available liquidity will be reduced by the amount of the relevant instalment.

Waiver of Listing Rule 7.8.5(b) – Requirement for Appraisal Report

Because Jason Boyes is a director of Infratil and Morrison & Co, Morrison & Co is an "Associated Person" of a director of Infratil (i.e. Jason Boyes). Listing Rule 7.8.5(b) requires that a notice of meeting to consider a resolution to approve the issue of shares where more than 50% of the Shares to be issued are likely to be acquired by

Directors or Associated Persons of Directors (as those terms are defined in the NZX Listing Rules) must be accompanied by an Appraisal Report.

NZ RegCo has granted Infratil a waiver from Listing Rule 7.8.5(b) which would otherwise require Infratil to prepare an Appraisal Report to accompany any Notice of Meeting at which Shareholders will consider and vote on, an Ordinary Resolution in accordance with Listing Rule 4.1.1 and Listing Rule 4.2.1, to approve a proposal for the issue of Infratil ordinary shares to Morrison & Co by way of satisfaction of Infratil's contractual obligation to pay incentive fees to Morrison & Co in accordance with the prescribed payment mechanisms set out in the Management Agreement. This waiver applies to Resolutions 3 and 4, and a copy of the waiver decision is available on the Infratil website at <https://infratil.com/news/waiver-from-listing-rule-785b/>.

The waiver has been granted on the conditions that:

- The relevant Notice of Meeting must otherwise comply with Listing Rules 7.8.2 and 7.8.4.
- The relevant issue of Shares, if approved by Shareholders by Ordinary Resolution, and if the Board approves the issue of Shares, must be made within the date that is 12 months following the date of the relevant Ordinary Resolution approving the issue of Shares;
- The waiver, its conditions and its implications are disclosed in the Notice of Meeting; and
- The 2002 Notice of Meeting and appraisal report is available for Infratil shareholders to review on the first occasion that Infratil relies on this waiver.²

The implications for Shareholders of the waiver are that no independent appraisal report is provided in respect of the Scrip Option. Shareholders must consider the information set out or referred to in this Notice of Meeting and Explanatory Notes to reach an informed opinion as to whether to approve the Scrip Option. In particular, Shareholders should consider the following:

- The International Investment Portfolio incentive fee structure, including the formula for calculating the Issue Price of Shares to be issued in payment of any incentive fees, were approved by Shareholders at the Annual Meeting in 2002.
- The Appraisal Report provided with the 2002 Notice of Meeting included a detailed analysis of the incentive fee structure, and

2. The 2002 Notice of Meeting and appraisal report is available at <https://infratil.com/about-infratil/board/our-governance-documents/governance-reports-and-statements/2002-infratil-notice-of-meeting/>

concluded that the fee arrangement for the International Investment Portfolio is reflective of an arms-length negotiation having regard to a number of matters, and the Management Agreement charges, including the incentive fees, are fair to the non-associated Infratil shareholders.

- Infratil is contractually bound to pay the incentive fee instalments to Morrison & Co either by cash or by the issue of Shares if the value of the international investments portfolio is sustained over the relevant period.
- If the independent valuations of (relevantly) the FY2022 International Portfolio Assets and the FY2023 International Portfolio Assets determine that:
 - in the case of the FY2022 International Portfolio Assets, the value of those assets as at 31 March 2024 is not less than the value of those assets as at 31 March 2022; or
 - in the case of the FY2023 International Portfolio Assets, the value of those assets as at 31 March 2024 is not less than the value of those assets as at 31 March 2023,

Infratil will be required to pay one or both of the third instalment of the FY2022 Incentive Fee of ~\$33.2 million and the second instalment of the FY2023 Incentive Fee of ~\$54.6 million.³

- If the Scrip Option is approved by Shareholders, the Board has three options to pay each of the third instalment of the FY2022 Incentive Fee (to the extent payable) and the second instalment of the FY2023 Incentive Fee (to the extent payable):
 - Option A: The relevant instalment is paid in cash.
 - Option B: The relevant instalment is paid using the Scrip Option.
 - Option C: The relevant instalment is paid using a mixture of cash and the Scrip Option.
- If the Scrip Option for either or both of the instalments is not approved by Shareholders, the Board will pay the third instalment of the FY2022 Incentive Fee (to the extent payable) and/or the second instalment of the FY2023 Incentive Fee (to the extent payable) in cash.
- If the Directors resolve to use the Scrip Option (if approved by an Ordinary Resolution of Shareholders) the Directors must be satisfied that the issue of Shares is fair and reasonable to Infratil and to all existing Shareholders.

3. In the case of the FY2023 International Portfolio Assets only, if the value of those assets as at 31 March 2024 is less than the value of those assets as at 31 March 2023, then the second instalment of the FY2023 Incentive Fee would be reduced proportionately to reflect the reduction in value of those assets.

Resolution 5: 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 an Infratil director and ensure that Infratil continues to attract high quality director candidates. The Board last obtained shareholder approval to increase the aggregate maximum remuneration payable to directors of Infratil and certain of its subsidiaries annually (Directors' Fee Pool) at the 2019 Annual Meeting, at which shareholders approved a Directors' Fee Pool of \$1,329,375 (plus GST/VAT) based on a Board of 7 Directors.

The Board engaged EY to undertake a benchmarking exercise in order to assess the appropriateness of directors' fees paid to Infratil directors. EY's benchmarking report can be found on the Infratil website at <https://infratil.com/for-investors/reports-results-meetings-investor-days/annual-meetings/2023-annual-meeting/benchmarking-details-2023/>. It provides data from the comparator group to provide reference points for assessing the market relativity of Infratil's directors' fees (and the benchmarking methodology is set out in that report). Infratil operates in several significant sectors and now has investments globally. The Board considers that in recognition of the complexity of Infratil's activities together with the time commitment required of an Infratil director, it should be targeting director remuneration at the 75th percentile of the comparator group (being the group determined on the basis of the total assets of each company).

The Board proposes that the total Directors' Fee Pool to be approved at the Annual Meeting is sufficient to enable Directors' fees to be set consistent with the 75th percentile of the comparator group as outlined in EY's benchmarking report.

Accordingly, the Board recommends to shareholders an increase in the maximum aggregate annual quantum of fees payable to all Directors (in their capacity as a director of Infratil and certain of its subsidiaries) of \$196,125 from \$1,329,375 to \$1,525,500 per annum (plus GST or VAT, as appropriate).

As compared to the maximum aggregate Directors' Fee Pool approved at the 2019 Annual Meeting, this change represents:

- an increase in the maximum aggregate Director fee pool of 14.75%; and
- an effective increase in the maximum per Non-Executive Director fees of 33.88%.⁴

In reaching this recommendation, the Board has considered the experience and responsibility of the directors, the size and scope of Infratil, the level of governance and consequent time commitment, relative to the benchmarking from EY. This total fee pool may be divided among Directors in their capacities as directors of Infratil and certain of its subsidiaries as the Board deems appropriate. The existing fee structure, and the proposed initial fee structure which will be backdated to take effect from 1 April 2023 if the increase to the Directors' fee pool is approved, is set out below.⁵

	Current FY22/23	Proposed FY23/24	Difference	%
Chair	\$286,100	\$375,000	\$88,900	31.07%
Director	\$137,400	\$187,500	\$50,100	36.46%
Overseas Director	\$171,800	\$217,500	\$45,700	26.60%
Audit Chair	\$41,800	\$48,000	\$6,200	14.83%
Audit Member	\$21,500	\$22,500	\$1,000	4.65%
MEC Chair	\$15,000	\$30,000	\$15,000	100.00%
MEC Member	\$7,500	\$10,000	\$2,500	33.33%
Unallocated Directors' Fee Pool	-	\$20,000	-	-

4. This increase is calculated on the basis that currently only Infratil's Non-Executive Directors are paid director fees. The maximum aggregate Directors' fee pool approved at the 2019 Annual Meeting was approved based on a board of 7 directors as, at the time the pool was approved, Infratil's Chief Executive (being an Executive Director) was paid director fees. However, since 1 April 2020, only Infratil's Non-Executive Directors have been paid director fees and no such fees are currently paid to the Infratil Chief Executive as an Executive Director. Accordingly, this calculation compares the increase in per Director fees between the maximum aggregate Directors' fee pool available in respect of the year ended 31 March 2023 split equally between 7 Directors and the proposed new maximum aggregate Directors' fee pool for the year commencing 1 April 2023 split equally between 6 Non-Executive Directors only.

5. Amounts showing exclude GST or VAT, where appropriate.

Resolution 6: Auditor's Remuneration

KPMG is automatically reappointed as auditor under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

Particulars of the Share Buyback Programme

For many years, Infratil has maintained a Share Buyback Programme. This programme has been successful in creating shareholder value and it is proposed that Infratil continue it. The Share Buyback Programme needs to comply with the Listing Rules. The Share Buyback Programme will be undertaken in accordance with Listing Rule 4.14, and the primary intent is that shares be bought back as permitted by Listing Rules 4.14.1(a) and 4.14.1(b) (ii) and the applicable provisions of the Companies Act 1993. This allows Infratil to make any offer pursuant to the procedures detailed in Section 60(1)(b)(ii) of the Companies Act 1993, or through NZX's order matching market, or through the order matching market of a 'Recognised Stock Exchange' (as defined in the Listing Rules) and in compliance with Section 63 of the Companies Act 1993.

Infratil notifies shareholders that, in accordance with Sections 60(1)(b)(ii) or 63 of the Companies Act 1993, Infratil may acquire up to a further 20,000,000 ordinary shares (approximately 2.40% 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 20,000,000 ordinary shares. Off-market purchases 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 Listing Rules) of Infratil.

Infratil is not committing to buy shares and a decision as to any purchases will be made from time to time having regard to market conditions. Infratil 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 Infratil's then current share price, having the Share Buyback Programme in place is a positive way of improving shareholder value and is fair to Infratil and all shareholders.

The disclosure document required under the Companies Act 1993 is attached as Annexure A.

Annexure A: Companies Act Disclosure Document for Share Buyback Programme

In the 2021 Notice of Meeting Infratil advised shareholders of its intention to continue its Share Buyback Programme, reserving the right to acquire up to 20,000,000 of Infratil's ordinary shares on issue. Infratil has not acquired any ordinary shares under the Share Buyback Programme since the 2021 Notice of Meeting.

It is considered appropriate for Infratil to continue the Share Buyback Programme and reserve the right to buy back up to 20,000,000 of Infratil's ordinary shares on issue. This would represent approximately 2.40% 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 20,000,000 ordinary shares. Off-market purchases may also 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 Listing Rules) of Infratil.

This Disclosure Document sets out the information that the Companies Act 1993 requires be provided to shareholders annually while a Share Buyback Programme continues.

Terms of the Offer

On-market Buyback – Section 63 of the Companies Act 1993

- Infratil may make one or more offers on the NZX Main Board market to all shareholders to acquire up to 20,000,000 ordinary shares in Infratil, pursuant to section 63 of the Companies Act 1993.
- Offers may be made between 17 August 2023 and 19 July 2024.
- Infratil will pay the prevailing market price for the shares at the time of purchase. Infratil 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 Companies Act 1993

- Infratil may make offers to one or more shareholders to acquire up to 20,000,000 ordinary shares in Infratil, pursuant to Section 60(1)(b)(ii) of the Companies Act 1993.
- Offers may be made between 17 August 2023 and 19 July 2024.
- Infratil will pay the prevailing market price for the shares at the time of purchase. Infratil 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 Companies Act 1993 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 Listing Rules) of Infratil and will not exceed 15% of the shares on issue as at the date which precedes the date of the relevant buyback by 12 months.

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

- Infratil will not purchase any shares while it possesses any information that is materially price-sensitive but not publicly available. If Infratil has price sensitive information, it will cease acquiring shares until the information is publicly disclosed or ceases to be materially price sensitive.
- Infratil 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 Infratil in itself and which would otherwise be cancelled on acquisition. Subject to certain restrictions, Treasury Stock can be transferred, re-issued or cancelled by Infratil.
- 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 27 June 2023, amongst other things:

1. To continue the previously notified Share Buyback Programme, and reserve the right to make one or more offers on the NZX market to all shareholders to acquire up to 20,000,000 ordinary shares in Infratil pursuant to Section 60(1)(b)(ii) (off-market buyback) and Section 63 (on-market buyback) of the Companies Act 1993 (Act) in the period between 17 August 2023 and 19 July 2024.
2. To pay the prevailing market price for the shares at the time of purchase.
3. That in respect of any offer made pursuant to Section 60(1)(b)(ii):
 - The acquisition is in the best interests of Infratil;
 - 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 Infratil; 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:
- The acquisition is in the best interests of Infratil and its shareholders; and
 - The terms of the offer and the consideration offered for the shares are fair and reasonable to Infratil 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 Infratil'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, and acquiring shares 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 Infratil; and
 - Infratil 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 Infratil but is not available to shareholders.
7. That the Board is satisfied that Infratil will, immediately after acquiring the shares, satisfy the solvency test applied under Section 52 of the Companies Act 1993.
8. That Jason Boyes, Phillippa Harford and Matt Ross 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 Infratil 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 Infratil itself.

Directors' Interests

Ordinary Shares (as at 18 July 2023)

Infratil (IFT) ordinary shares

Infratil (IFT) ordinary shares	Beneficial interests	Non-beneficial interests
A Gerry	39,637	
J Boyes	1,054,810	
A Clark	214,255	
P Gough	222,525	
K Mactaggart	76,659	
P M Springford	50,430	
A Urlwin	12,500	

This Disclosure Document is provided pursuant to Sections 61(5) and 63(6) of the Companies Act 1993 and complies with Sections 62 and 64 of the Companies Act 1993.





Infratil