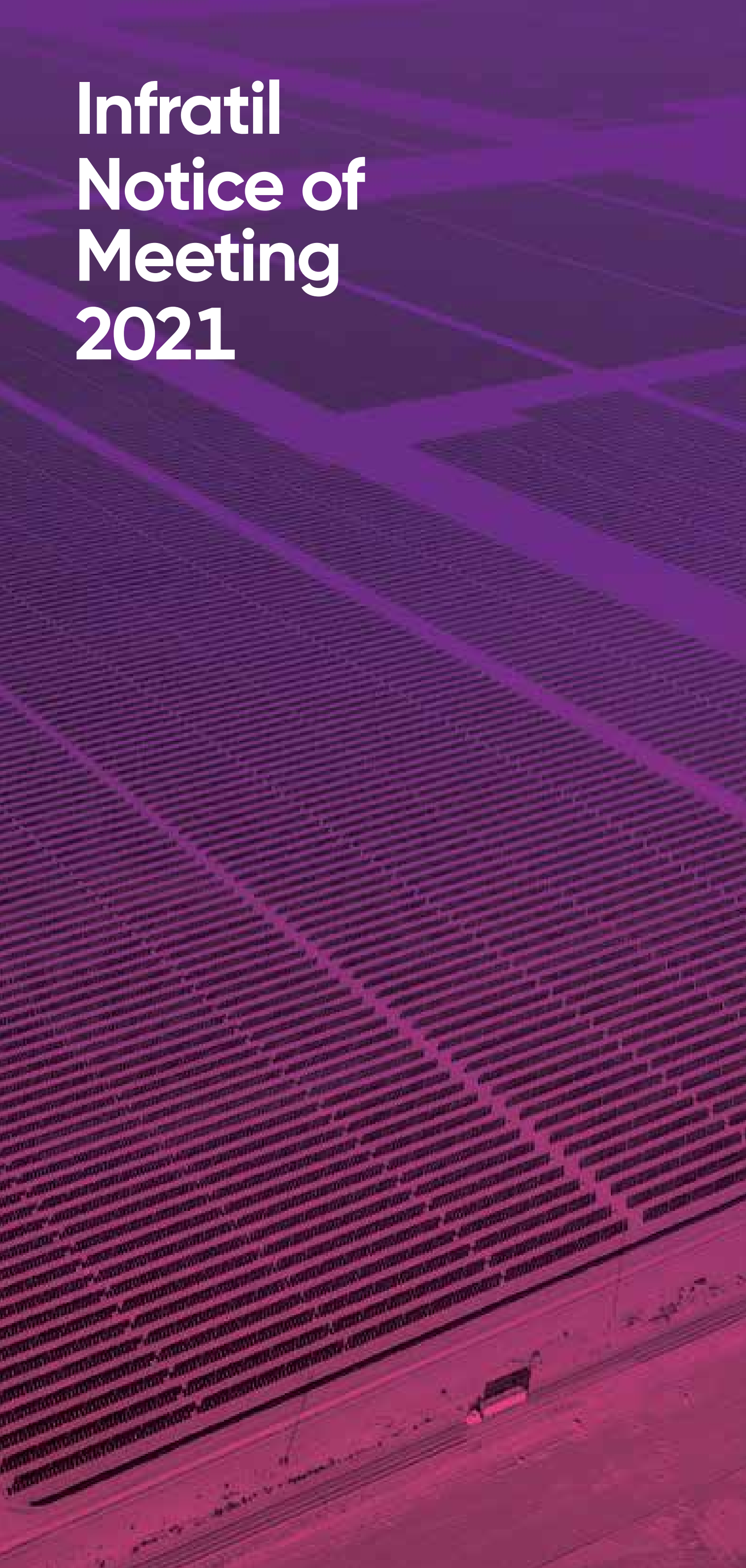
Infratil Notice of Meeting 2021



The shareholders of Infratil Limited

21 July 2021

Shareholders have already received Infratil's 2021 Annual Report in which I, and 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.

The Annual Meeting this year will be in Wellington but shareholders will also have the option to join the meeting online. A number of matters are to come before shareholders for voting at the Annual Meeting. These include:

- The re-election of myself and Paul Gough, and the election of Jason Boyes, 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 FY2020 international portfolio annual incentive fee in 2022; and
  - the second instalment of the FY2021 international portfolio annual incentive fee in 2022.
- Authorisation for the Directors to fix the auditor's remuneration.

As noted in Infratil's 2021 Annual Report, Morrison & Co earned a FY2021 international portfolio annual incentive fee of $223.1 million. As a protection against the possibility of the portfolio of investments subsequently falling in value, the FY2021 incentive fee is payable over three years (in three instalments of ~$74.4 million each) and, if the value of the portfolio at either of the subsequent two balance dates is lower than the 31 March 2021 valuation, that year's instalment is cancelled.

The FY2021 international portfolio annual incentive fee follows the FY2020 international portfolio annual incentive fee of $125 million (payable in 3 instalments of ~$41.7 million each) noted in Infratil's 2020 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 the third instalment of the FY2020 incentive fee (if that is payable) or the second instalment of the FY2021 international portfolio annual incentive fee (if that is 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 2020 Annual Meeting, shareholders approved the use of the scrip option in connection with the second instalment of the FY2020 international portfolio annual incentive fee however the Board subsequently determined that the instalment should be paid in cash.

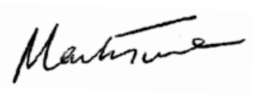
If the Board also wishes to have this option available for the third instalment of the FY2021 international portfolio annual incentive fee (payable in 2023), the Board will seek shareholder approval for this at the 2022 Annual Meeting.

There is no resolution this year in relation to directors' fees, as shareholders approved an increased directors' fee pool at the 2019 Annual Meeting to enable directors' fees to be set consistent with the 75th percentile of comparator group 2 in the PwC benchmarking report, but with the increases to directors' fees expected to be implemented over a three-year period across the 2020, 2021 and 2022 financial years. The Board has approved the implementation of the expected increase for the 2022 financial year (so that fees are at the 75th percentile of that comparator group), and details of the directors' fees were set out in the 2021 Annual Report. As the increases for the 2022 financial year can be paid from the directors' fee pool approved by shareholders at the 2019 annual meeting, the Board does not expect to seek shareholder approval for any further increases to the directors' fee pool prior to the 2022 annual meeting.

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 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 that the 2021 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, 19 August 2021, and online at www.virtualmeeting.co.nz/ift21, commencing at 2:30 pm (New Zealand Time)

Online participation details are set out on pages 4 and 5.

Business

A. Chairman's Introduction

B. Chief Executive's Review

C. Presentation of the Annual Report for the year ended 31 March 2021 and the report of the auditor

To receive and consider the Annual Report of Infratil for the year ended 31 March 2021. 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 Mark Tume:** That Mark Tume be re-elected as a director of Infratil.
2. **Re-election of Paul Gough:** That Paul Gough be re-elected as a director of Infratil.
3. **Election of Jason Boyes:** That Jason Boyes be elected as a director of Infratil.
4. **Payment of FY2020 Incentive Fee by Share Issue (2020 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 2020 Incentive Fee (if payable) as the Board elects to pay by the issue of Shares (**2020 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 2020 Scrip Option.

5. **Payment of FY2021 Incentive Fee by Share Issue (2021 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 2021 Incentive Fee (if payable) as the Board elects to pay by the issue of Shares (**2021 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 each of the 2020 Scrip Option and the 2021 Scrip Option.
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.

Resolutions 4 and 5 relate to the issue of Shares to Morrison & Co. The related companies, direct or indirect shareholders, 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 shareholders, directors or any staff of Morrison & Co, will vote their Shares in respect of either of Resolutions 4 and 5, but may act as a proxy or voting representative for a person who is qualified to vote on either of Resolutions 4 and 5, in accordance with that person's express instructions.

Voting and Proxies

As the 2021 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 the 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/ift21.

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 but would like to ask a question, you can submit a question online by going to vote.linkmarketservices.com/IFT and completing the online validation process or complete the question section below and return to Link Market Services. 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.

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, 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 2.30 pm New Zealand Time on 17 August 2021. 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 & 2: Re-Election of Directors

The Board of Infratil considers that both Mark Tume and Paul Gough will be Independent Directors for the purposes of the NZX Listing Rules (Listing 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 a director of RetireAustralia and Chair of Ngai Tahu Holdings Corporation and Te Atiawa Iwi Holdings. Mr Tume's professional experience has been in banking and funds management.

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

  Paul Gough joined the Board in 2012. He is managing partner of the UK private equity fund STAR Capital. He is a director of several international companies in the transport, logistics, healthcare, infrastructure and financial services sectors. Mr Gough previously worked for Credit Suisse First Boston in New Zealand and London.

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

Resolution 3: Election of Director

The Board of Infratil considers that Jason Boyes will not be an Independent Director for the purposes of the Listing Rules if elected to the Board.

- **Jason Boyes (BCA, LLB (Hons)) - Non-Independent Director**

  Jason Boyes is Chief Executive of Infratil and joined the Board on 1 April 2021. He is Chair of Longroad Energy and Galileo Green Energy. He joined H.R.L. Morrison & Co in 2011 after a 15 year legal career in corporate finance and M&A in New Zealand and London. He led Infratil's strategic review of its stake in Tilt Renewables, led the successful IPO of Z Energy in 2013, and has been instrumental in numerous Infratil investments since, including the acquisition of Vodafone NZ and subsequent capital raise in 2019, and the establishment of Longroad Energy in 2016 and Galileo Green Energy in 2020. Mr Boyes has an interest in Morrison & Co, which has the Management Agreement with Infratil.

The Board supports the election of Jason Boyes.

Resolutions 4 & 5: Share Issue – FY2020 Incentive Fee and FY2021 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 (**2020 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 FY2020 international portfolio annual incentive fee (**FY2020 Incentive Fee**).
- The option (**2021 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 FY2021 international portfolio annual incentive fee (**FY2021 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 2020 Scrip Option for the third instalment of the FY2020 Incentive Fee (if that is payable) or the 2021 Scrip Option for the second instalment of the FY2021 Incentive Fee (if that is 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 2020 Scrip Option, the 2021 Scrip Option, the FY2020 Incentive Fee and the FY2021 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").

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 for 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-us/corporate-governance/.

FY2020 Incentive Fee

In FY2020, Morrison & Co earned an International Portfolio Annual Incentive Fee of $125 million pursuant to clause 9.4.3 of the Management Agreement (**FY2020 Incentive Fee**). The process under the Management Agreement (with relevant modifications as agreed between the Board and Morrison & Co) for determining the FY2020 Incentive Fee was payable, and for calculating the amount of the FY2020 Incentive Fee, is summarised below:

- Infratil's Non-New Zealand Portfolio Securities which have been owned for more than three years (**FY2020 International Portfolio Assets**) were valued as at 31 March 2020 by specialist independent valuers. The independent valuations are undertaken to assess the proceeds Infratil would receive were it to sell the FY2020 International Portfolio Assets, net of all transaction costs and applicable taxes.
- The independent valuations determined that the FY2020 International Portfolio Assets has delivered a return (in NZ$) of over 12% per annum, and the $125 million FY2020 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 FY2020 International Portfolio Assets falling in value, clause 9.4.4 of the Management Agreement requires the FY2020 Incentive Fee to be divided into three equal annual instalments of ~$41.7 million each, with payment spread over three years and the second and third instalments contingent on the FY2020 International Portfolio Assets not falling in value:
    - The first instalment was paid in cash in May 2020 (following finalisation of the 31 March 2020 independent valuations).
    - The second instalment was paid in cash in April 2021 (following finalisation of the 31 March 2021 independent valuations).
    - The FY2020 International Portfolio Assets will be valued again as at 31 March 2022, using the same independent valuation process as in 2020 and 2021.

The third instalment is only paid if the independent valuations of the FY2020 International Portfolio Assets determines that the value of those assets as at 31 March 2022 is not less than the value of those assets as at 31 March 2020. If the value of the FY2020 International Portfolio Assets is less (by any amount), then the third instalment is cancelled (and will never be payable).

More information regarding the FY2020 Incentive Fee can be found in Infratil's 2020 Results Announcement (available on the Infratil website at https://infratil.com/for-investors/company-results/) and 2020 Annual Report (available on the Infratil website at https://infratil.com/for-investors/reports/).

FY2021 Incentive Fee

In FY2021, Morrison & Co earned an International Portfolio Annual Incentive Fee of $223.1 million pursuant to clause 9.4.3 of the Management Agreement (**FY2021 Incentive Fee**). The process under the Management Agreement (with relevant modifications as agreed between the Board and Morrison & Co) for determining the FY2021 Incentive Fee was payable, and for calculating the amount of the FY2021 Incentive Fee, is summarised below:

- Infratil's Non-New Zealand Portfolio Securities which have been owned for more than three years (the "FY2021 International Portfolio Assets") were valued as at 31 March 2021 by specialist independent valuers. The independent valuations are undertaken to assess the proceeds Infratil would receive were it to sell the FY2021 International Portfolio Assets, net of all transaction costs and applicable taxes.
- The independent valuations determined that the FY2021 International Portfolio Assets has delivered a return (in NZ$) of over 12% per annum, and the $223.1 million FY2021 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 FY2021 International Portfolio Assets falling in value, clause 9.4.4 of the Management Agreement requires the FY2021 Incentive Fee to be divided into three equal annual instalments of ~$74.4 million each, with payment spread over three years and the second and third instalments contingent on the FY2021 International Portfolio Assets not falling in value:
  - The first instalment was paid in cash in May 2021 (following finalisation of the 31 March 2021 independent valuations).

- The FY2021 International Portfolio Assets will be valued again as at 31 March 2022, using the same independent valuation process as in 2021. The second instalment is only paid if the independent valuations of the FY2021 International Portfolio Assets determines that the total value of those assets as at 31 March 2022 is not less than the total value of those assets as at 31 March 2021. If the value of the FY2021 International Portfolio Assets is less (by any amount), then the second instalment is cancelled (and will never be payable).
- The FY2021 International Portfolio Assets will be valued again as at 31 March 2023, using the same independent valuation process as in 2021 and 2022. The third instalment is only paid if the independent valuations of the FY2021 International Portfolio Assets determines that the value of those assets as at 31 March 2023 is not less than the value of those assets as at 31 March 2021. If the value of the FY2021 International Portfolio Assets is less (by any amount), then the third instalment is cancelled (and will never be payable).

More information regarding the FY2021 Incentive Fee can be found in Infratil's 2021 Results Announcement (available on the Infratil website at https://infratil.com/for-investors/company-results/) and 2021 Annual Report (available on the Infratil website at https://infratil.com/for-investors/reports/).

Scrip Option

Clause 9.6 of the Management Agreement gives the Board the option to pay any instalment of the FY2020 Incentive Fee or the FY2021 Incentive Fee either in cash or by issuing Shares to Morrison & Co (i.e. 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 FY2020 International Portfolio Assets or the FY2021 International Portfolio Assets as at 31 March in

the relevant year) that the FY2020 Incentive Fee or FY2021 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 FY2020 Incentive Fee or FY2021 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 FY2020 Incentive Fee (if that is payable) or the second instalment of the FY2021 Incentive Fee (if that is payable). If shareholders approve the use of the Scrip Option, the Board will make a decision in 2022 whether to use Scrip Option for any or all of the second instalment of the FY2020 Incentive Fee or the FY2021 Incentive Fee when (and if) the Board is satisfied that 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), but 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 4 and 5 are not passed, Infratil will be required to pay each of the third instalment of the FY2020 Incentive Fee of ~$41.7 million, and the second instalment of the FY2021 Incentive Fee of ~$74.4 million in cash, if the independent applicable valuations of the FY2020 International Portfolio Assets or the FY2021 International Portfolio Assets determine that:

- in the case of the FY2020 International Portfolio Assets, the value of those assets as at 31 March 2022 is not less than the value of those assets as at 31 March 2020; or
- in the case of the FY2021 International Portfolio Assets, the value of those assets as at 31 March 2022 is not less than the value of those assets as at 31 March 2021.

It is important for shareholders to note that payment of either of the third instalment of the FY2020 Incentive Fee or the second instalment of the FY2021 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 FY2020 Incentive Fee and the second instalment of the

FY2021 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 FY2020 Incentive Fee (if payable) and/or the second instalment of the FY2021 Incentive Fee (if 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 FY2020 Incentive Fee (if payable) and/or the second instalment of the FY2021 Incentive Fee (if 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 FY2020 Incentive Fee (if payable) or the second instalment of the FY2021 Incentive Fee (if payable) 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 FY2020 Incentive Fee or the second instalment of the FY2021 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 8 July 2021 and assuming (a) the total ordinary shares on issue (excluding treasury stock) is the same as at 8 July 2021 and (b) the Scrip Option is used for the full third instalment of the FY2020 Incentive Fee, then:
  - Infratil would issue 5,521,689 ordinary shares to Morrison & Co.
  - This would increase the total ordinary shares on issue (excluding treasury stock) from 722,952,533 to 728,474,222.
  - This would dilute other Infratil shareholders by 0.76%.

- **Scrip Option not used:** Infratil will pay cash to Morrison & Co for the third instalment of the FY2020 Incentive Fee and the second instalment of the FY2021 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 Infratil. 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 are to be issued are likely to be acquired by Directors or Associated Persons of Directors must be accompanied by an Appraisal Report.

NZX Regulation Limited 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 4 and 5, and a copy of the waiver decision is available on the Infratil website at https://infratil.com/for-investors/announcements/.

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.

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 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 changes, 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 FY2020 International Portfolio Assets and the FY2021 International Portfolio Assets determine that:
  - in the case of the FY2020 International Portfolio Assets, the value of those assets as at 31 March 2022 is not less than the value of those assets as at 31 March 2020; or
  - in the case of the FY2021 International Portfolio Assets, the value of those assets as at 31 March 2022 is not less than the value of those assets as at 31 March 2021,

Infratil will be required to pay one or both of the third instalment of the FY2020 Incentive Fee of ~$41.7 million and the second instalment of the FY2021 Incentive Fee of ~$74.4 million.

- If the Scrip Option is approved by Shareholders, the Board has three options to pay each of the third instalment of the FY2020 Incentive Fee (if payable) and the second instalment of the FY2021 Incentive Fee (if 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 FY2020 Incentive Fee (if payable) and/or the second instalment of the FY2021 Incentive Fee (if 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).

Resolution 5: 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 2.77% 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 employees or directors of Infratil or associated persons of directors.

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 2020 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 2020 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 2.77% 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 employees or directors of Infratil or associated persons of directors.

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 19 August 2021 and 21 July 2022.

- 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 19 August 2021 and 21 July 2022.
- 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 30 June 2021, 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 19 August 2021 and 21 July 2022.
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 Mark Flesher 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 8 July 2021)

Infratil (IFT) ordinary shares	Beneficial interests	Non-beneficial interests
M Tume	59,132	7,389
A Gerry	34,048	
P Gough	197,533	
K Mactaggart	64,870	
C M Savage	16,644	
P M Springford	44,406	

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