



Friday, 15 April 2016

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

2016 AGM Notice of Meeting and 2015 Annual Report and Shareholder Review

Please find attached Spark Infrastructure's Notice of Meeting for the 2016 Annual General Meeting, 2015 Annual Report, and 2015 Shareholder Review.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Alex Finley'.

Alexandra Finley
Company Secretary

Dear fellow Securityholders

A copy of the Notice of Meeting for the 2016 Annual General Meeting of Spark Infrastructure (**AGM**) is attached. The meeting will be held on Friday, 20 May 2016 at 11:30am (Sydney time) at the Radisson Blu Plaza Hotel, 27 O'Connell Street, Sydney NSW.

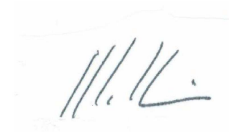
There are a number of items on the agenda for this year's AGM, including consideration of the financial and statutory reports, election and re-election of Directors, adoption of the Remuneration Report and the Managing Director and Chief Executive Officer's long term incentive grant under Spark Infrastructure's new equity incentive plan. Further details about each of the proposed resolutions is set out in the Notice of Meeting and Explanatory Notes enclosed with this letter.

In addition, Mr James Dunphy and Mr Michael Rhodes have been nominated by Mr Dunphy for election to the Board (Resolutions 4 and 5). Having regard to the criteria for director skills and experience adopted by the Board for director appointments, the Board does not believe that it is in the best interests of Securityholders that Mr Dunphy and Mr Rhodes be elected as directors. The Board therefore does not support their election as Directors and recommends that Securityholders vote **against** their election.

The Board believes that orderly succession and renewal is achieved as a result of careful long-term planning, where the appropriate composition of the Board is continually under review. Your Board believes that the overall composition of the Board, as it currently stands, enables it to effectively govern Spark Infrastructure on behalf of Securityholders, in the best long term interests of Spark Infrastructure.

If you are unable to attend in person, I encourage you to appoint a proxy to attend and vote on your behalf at the AGM. The Notice of Meeting and enclosed Proxy Form explain how you can appoint a proxy. Securityholders that are unable to attend can also view the webcast of the AGM at www.sparkinfrastructure.com.

On behalf of the Board, we look forward to welcoming you to the 2016 AGM.



Brian Scullin
Chairman
15 April 2016

Spark Infrastructure
Notice of Annual General Meeting 2016

11.30am Friday 20 May 2016

Radisson Blu Plaza Hotel
27 O'Connell Street
SYDNEY NSW

Spark Infrastructure RE Limited ACN 114 940 984 AFSL 290436 ("**Spark Infrastructure RE**")
as responsible entity of Spark Infrastructure Trust ARSN 116 870 725 ("**Spark Infrastructure Trust**")
(together "**Spark Infrastructure**")

Concurrent annual general meetings of the unitholders and noteholders of Spark Infrastructure Trust (the
"**Securityholders**") ("**Annual General Meeting**")

Spark Infrastructure Trust will hold its Annual General Meeting on Friday, 20 May 2016 at 11:30am (Sydney time) at the Radisson Blu Plaza Hotel, 27 O'Connell Street, Sydney NSW.

Business

Financial report

To present the annual financial report, directors' report and auditor's report for Spark Infrastructure (representing Spark Infrastructure Trust and its consolidated entities) for the 12 months ended 31 December 2015.

Resolution 1 – Remuneration report

To seek approval of the following ordinary resolution as a non-binding resolution of Securityholders:

THAT Spark Infrastructure's remuneration report for the financial period ended 31 December 2015 be adopted.

Resolutions 2 and 3 – Election and re-election of Board-endorsed directors

Resolution 2 – Re-election of Mr Andrew Fay

To seek approval of the following ordinary resolution as a resolution of Securityholders:

THAT Mr Andrew Fay, who retires by rotation, be re-elected as a director of Spark Infrastructure RE and each of Spark Infrastructure Holdings No. 1 Pty Limited ("**Spark Holdings 1**"), Spark Infrastructure Holdings No. 2 Pty Limited ("**Spark Holdings 2**"), Spark Infrastructure Holdings No. 3 Pty Limited ("**Spark Holdings 3**") and Spark Infrastructure Holdings No. 4 Pty Limited ("**Spark Holdings 4**"), pursuant to the Governance Deed.

Resolution 3 – Election of Dr Douglas McTaggart

To seek approval of the following ordinary resolution as a resolution of Securityholders:

THAT Dr Douglas McTaggart be elected as a director of Spark Infrastructure RE and each of Spark Holdings 1, Spark Holdings 2, Spark Holdings 3 and Spark Holdings 4, pursuant to the Governance Deed.

Resolutions 4 and 5 – Election of non-Board endorsed director candidates

Resolution 4 – Election of Mr James Dunphy

To seek approval of the following ordinary resolution as a resolution of Securityholders:

THAT Mr James Dunphy, who has nominated himself for election, be elected as a director of Spark Infrastructure RE and each of Spark Holdings 1, Spark Holdings 2, Spark Holdings 3 and Spark Holdings 4, pursuant to the Governance Deed.

Resolution 5 – Election of Mr Michael Rhodes

To seek approval of the following ordinary resolution as a resolution of Securityholders:

THAT Mr Michael Rhodes, who has been nominated for election by Mr James Dunphy, be elected as a director of Spark Infrastructure RE and each of Spark Holdings 1, Spark Holdings 2, Spark Holdings 3 and Spark Holdings 4, pursuant to the Governance Deed.

Resolution 6 – Grant of Performance Rights to Mr Rick Francis

To seek approval of the following ordinary resolution as a resolution of Securityholders:

THAT approval is given for all purposes to grant to Spark Infrastructure's Managing Director and Chief Executive Officer, Mr Rick Francis, Performance Rights under the Spark Infrastructure Equity Incentive Plan as his 2016 long term incentive award, on the terms set out in the Explanatory Notes to this Notice of Meeting.



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Brian Scullin
Chairman
15 April 2016

Information for holders of Stapled Securities

Conduct of the meeting

Spark Infrastructure represents Spark Infrastructure Trust (for which Spark Infrastructure RE is the responsible entity). Each unit in Spark Infrastructure Trust is stapled to one loan note issued by Spark Infrastructure RE as trustee of the Spark Infrastructure Trust (each unit and loan note together a “**Stapled Security**”). The Stapled Securities trade as one on the Australian Securities Exchange. The AGM combines concurrent meetings of both the unitholders and noteholders, voting on each resolution simultaneously in both capacities.

Written questions to the auditor

Securityholders entitled to vote at the meeting may submit written questions to Spark Infrastructure’s auditor regarding any matter that is relevant to the content of the auditor’s report or the conduct of the audit of the annual financial report. Written questions to the auditor must be received by Spark Infrastructure no later than Friday, 13 May 2016.

Eligibility to vote

Registered Securityholders are eligible to vote on all Resolutions themselves or through their attorney or proxy, subject to any voting exclusions described below.

For the purposes of this Annual General Meeting of Securityholders, Securityholders that are eligible to attend and vote will be taken to be those persons who are registered as holders of Stapled Securities as at 7.00pm (Sydney time) on Wednesday, 18 May 2016 and their entitlement to vote at the meeting will be determined by their holdings of Stapled Securities at that time.

Security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meetings.

Voting Restrictions

Under the Corporations Act, Spark Infrastructure RE and its associates (such as the directors) are not entitled to vote their interest on a resolution at a meeting of Spark Infrastructure Trust members if they have an interest in the resolution or matter other than as a member. However, Spark Infrastructure RE and its associates may vote as proxies for another member who can vote if their appointments specify the way they are to vote and they vote that way.

Remuneration Report (Resolution 1)

In accordance with the *Corporations Act 2001* (Cth) (“**Corporations Act**”), Spark Infrastructure will disregard any vote cast on Resolution 1:

- in any capacity, by or on behalf of any member of the key management personnel of Spark Infrastructure (“**KMP**”) whose remuneration details are included in the Remuneration Report (or a closely related party of any such person), unless the vote is cast as a proxy for a person entitled to vote on Resolution 1 and the appointment specifies how the proxy is to vote on the Resolution; and
- as proxy for a person entitled to vote on Resolution 1 by any member of the KMP at the date of the meeting (or a closely related party of any such person) where the proxy appointment does not specify the way the proxy is to vote on the Resolution.

Director elections and re-elections (Resolutions 2 and 3)

As Dr Douglas McTaggart is standing for election and Mr Andrew Fay is standing for re-election, they each have an interest in their own election or re-election other than as a member and will not be entitled to vote in respect of the relevant resolution. However, the relevant director will still be able to vote as a proxy in relation to their own election or re-election where the appointment specifies the way that he or she is to vote.

Grant of Performance Rights to Mr Rick Francis (Resolution 6)

In accordance with the Corporations Act and the ASX Listing Rules, Spark Infrastructure will disregard any votes cast on Resolution 6:

- in any capacity by or on behalf of Mr Francis or any of his associates; or
- as a proxy by any member of the KMP at the date of the meeting (or a closely related party of any such person),

unless the vote is cast as proxy for a person entitled to vote on Resolution 6:

- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to vote as the proxy decides, even though Resolution 6 is connected with the remuneration of a member of the KMP.

Method of voting

On all resolutions the vote will be taken by poll. On a poll for a resolution of Spark Infrastructure Trust, a unit holder or their nominated proxy has one vote for each dollar of the value of the total interests they have in Spark Infrastructure Trust pursuant to section 253C(2) of the Corporations Act. In accordance with section 253F of the Corporations Act, the value of a Securityholder's total interest in the Spark Infrastructure Trust will be calculated by reference to the last sale price of the Stapled Securities on the ASX on Thursday, 19 May 2016. On a poll, a noteholder or their nominated proxy has one vote for each dollar (cents being ignored) of the face value of loan notes registered in the holder's name.

Appointing a proxy

If you are entitled to attend and vote at the meeting, you have a right to appoint a proxy to attend and vote on your behalf. You may also appoint an attorney or representative.

A proxy need not be a Securityholder and may be an individual or a body corporate. A personalised proxy form is included with this notice of meeting.

If you are entitled to cast two or more votes at the meeting, you may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

Lodging your proxy form

You can lodge your completed proxy form by:

- mailing it to Computershare using the reply paid envelope enclosed with this notice;
- mailing it to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne Victoria 3001;
- lodging it online on Computershare's website at www.investorvote.com.au. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions on the website;
- lodging it on your mobile device by scanning the QR code on the proxy form and following the instructions;

- faxing it to Computershare on (within Australia) 1800 783 447 / (outside Australia) +61 3 9473 2555; or
- hand delivering it to Computershare at Level 4, 60 Carrington Street, Sydney NSW 2000.

Your completed proxy form (and any necessary supporting documentation) must be received by Computershare **no later than 11.30am (Sydney time) on Wednesday, 18 May 2016**.

If the proxy form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy of the authority) must also be received by Computershare by 11.30am (Sydney time) on Wednesday, 18 May 2016 unless it has been previously provided to Computershare.

If you appoint a proxy, you may still attend the meeting. However, your proxy's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to suspend your proxy if you register at the meeting.

How the Chair of the meeting will vote undirected proxies

The Chairman of the meeting is not permitted to vote undirected proxies on Resolution 1, but may vote undirected proxies in respect of Resolutions 2 to 6. The Chair of the meeting intends to vote undirected proxies addressed to him **in favour of** Resolutions 2, 3 and 6 and **against** Resolutions 4 and 5.

Spark Infrastructure encourages all Securityholders who submit proxies to direct their proxy how to vote on each Resolution.

Corporate proxyholders or holders of Stapled Securities

Corporate proxyholders or holders of Securities who wish to appoint a representative to attend the meetings on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative (the "Certificate of Appointment of Corporate Representative", which can be obtained from Computershare, can be used for this purpose). The authorisation may be effective either for this meeting only or for all meetings of Spark Infrastructure.

Explanatory Notes

Annual General Meeting

This Annual General Meeting (“**AGM**”) must be held under the Governance Deed Poll between Spark Infrastructure RE (in its personal capacity and in its capacity as responsible entity of Spark Infrastructure Trust), Spark Infrastructure Holdings 1, Spark Infrastructure Holdings 2, Spark Infrastructure Holdings 3 and Spark Infrastructure Holdings 4 (together, the “**Spark Infrastructure Companies**”) dated 31 May 2011 (“**Governance Deed**”). The AGM must be held as though it is an annual general meeting of a public company, so far as consistent with Spark Infrastructure’s constituent documents and in addition to any other requirements.

Financial report

The annual financial report, directors’ report and auditor’s report for Spark Infrastructure for the financial period ended 31 December 2015 will be presented to the meeting. A copy of the Annual Report is available on the Spark Infrastructure website at <http://sparkinfrastructure.com/investor/reports/annual-reports>.

Securityholders will be given a reasonable opportunity to ask questions about or make comments on the management of Spark Infrastructure at the meeting. Securityholders will also be given a reasonable opportunity to ask the auditor questions relevant to the conduct of the audit, the preparation and the content of the auditor’s reports, the accounting policies adopted by Spark Infrastructure in relation to the preparation of the financial statements, and the independence of the auditor in respect to the conduct of the audit.

Resolution 1 – Remuneration report

Resolution 1 asks Securityholders to adopt the remuneration report of Spark Infrastructure for the financial period ended 31 December 2015, which is set out on pages 13 to 32 of Spark Infrastructure’s annual report 2015.

The remuneration report sets out Spark Infrastructure’s approach to remuneration and sets out key 2015 remuneration details for the Directors and Group Executives of Spark Infrastructure.

Securityholders will be given a reasonable opportunity to ask questions about or make comments on the remuneration report at the meeting. Section 250R of the Corporations Act (which applies to Spark Infrastructure as a result of the operation of the Governance Deed) requires that Securityholders be asked to vote on the remuneration report. However, this vote is of an advisory nature only and does not bind Spark Infrastructure or its directors.

Recommendation

The Board of Spark Infrastructure RE as responsible entity of Spark Infrastructure Trust (“**Board**”) recommends that you vote **IN FAVOUR** of Resolution 1.

Resolutions 2 and 3 – Election and re-election of Board-endorsed directors

Resolutions 2 and 3 relate to the election or re-election of directors of Spark Infrastructure RE and each of Spark Holdings 1, Spark Holdings 2, Spark Holdings 3 and Spark Holdings 4, pursuant to the Governance Deed.

Under the Governance Deed and the ASX Listing Rules, a director (other than a Managing Director) of the Spark Infrastructure Companies must not hold office without re-election past the third Annual General Meeting of Securityholders following the director’s appointment or last election, or three years, whichever is the longer. In addition, a director appointed to fill a casual vacancy must not hold office without re-election past the next Annual General Meeting.

There must be an election of directors of the Spark Infrastructure Companies at each Annual General Meeting. This can be satisfied in several ways, including a person being nominated and standing for election as a new director, a director appointed by the Board to fill a casual vacancy standing for election, or any director retiring and standing for re-election.

Accordingly, Mr Andrew Fay, who was last re-elected by Securityholders at the 2013 Annual General Meeting, is standing for re-election at this meeting.

In addition, Dr Doug McTaggart, having been appointed to fill a casual vacancy on 11 December 2015, is now standing for election at this meeting.

A brief description of each candidate follows:

Election of Mr Andrew Fay

**Mr Andrew Fay BAgEc (Hons), AFin
Independent Director (since March 2010)**

Mr Fay is a Non-Executive Director of BT Investment Management Limited and J O Hambro Capital Management Holdings Limited, a UK company which is wholly owned by BT Investment Management. Mr Fay is a Non-Executive Director of Gateway Lifestyle Group, was previously Chair of Tasman Lifestyle Continuum Ltd, and is also Chair of Deutsche Managed Investments (Australia) Limited. Mr Fay consults to the Dexus Property Group Ltd in the area of capital markets and advises Microbiogen Pty Ltd, a private company which operates in the renewable energy industry, on corporate development initiatives.

Mr Fay was Chair of Deutsche Asset Management (Australia) Limited (DeAM) and associated companies until 2010 following a 20 year career in the financial services sector. During that time Mr Fay held a number of senior positions including CEO Australia, Regional CIO Asia Pacific and CIO of DeAM. Prior to joining Deutsche, Mr Fay spent six years at AMP Global Investors working in the areas of Fixed Income, Economics and Australian Equities. Mr Fay was also a member of the Investment Board Committee of the Financial Services Council for six years until 2006.

From November 2006 to November 2007 he was an Alternate Director for the Spark Infrastructure Group and was also an Alternate Director for the Dexus Property Group from 2006 until 2009.

Mr Fay has been a Non-Executive Director of Victoria Power Networks, CitiPower and Powercor, and of SA Power Networks (SAPN) since 2011. He is a member of the Remuneration Committees of each business. He is also a member of the Risk and Compliance Committee and the Chair of the Audit Committee of SAPN.

Mr Fay is a member of the Audit, Risk and Compliance Committee.

Mr Fay has held the following directorships of other Australian listed entities within the last three years:

Listed Entity	Period directorship held
BT Investment Management Limited	2011 to present
Gateway Lifestyle Group	2015 to present

Recommendation

The Board (with Mr Fay abstaining) unanimously supports the re-election of Mr Fay, and recommends that you vote **IN FAVOUR** of Resolution 2.

Election of Dr Doug McTaggart

Dr Doug McTaggart PhD, MA(Econ), BEc(Hons), DUniv, FAICD, SF Fin Independent Director (since December 2015)

Dr Doug McTaggart is an independent Non-Executive Director. He sits on the board of the Suncorp Group and chairs its Audit Committee. He is Chairman of the QIMR Berghofer Institute of Medical Research and also of Suncentral Maroochydore.

Dr McTaggart is a member of the Prime Minister's Expert Advisory Panel on the Reform of the Federation, is a member of Australian National University's Council and also of the council for the Queensland Division of the Australian Institute of Company Directors (AICD). He has advised governments, most recently the Northern Territory Government as a member of its Economic Development Advisory Panel. In early 2012 he retired as Chair of the Queensland Public Service Commission and a member of the Queensland Public Sector Renewal Board and was a Commissioner on the Queensland Independent Commission of Audit.

In June 2012, after 14 years, Dr McTaggart retired as CEO of QIC Limited. Prior to this appointment, Dr McTaggart held roles including Professor of Economics and Associate Dean at Bond University (1989-1996), and then Under Treasurer, Queensland Department of Treasury (1996-1998).

He was a member of the Council of Australian Governments (COAG) Reform Council (2007-2013) and Councillor on the National Competition Council (NCC) (2000-2013).

Dr McTaggart has held various positions on industry bodies and public interest groups, including Director and Chairman of IFSA (now the Financial Services Council), President of the Economic Society of Australia, Director of Committee for Economic Development of Australia (CEDA), and member of the Australian Accounting Standards Board (AASB).

He has an Honours (1st Class) degree in economics from the Australian National University, a Masters and PhD from the University of Chicago, and a DUniv from Queensland University of Technology.

Listed Entity	Period directorship held
Suncorp Group Limited	2012 to present

Recommendation

The Board (with Dr McTaggart abstaining) unanimously supports the election of Dr McTaggart, and recommends that you vote **IN FAVOUR** of Resolution 3.

Resolutions 4 and 5 – Election of non-Board endorsed director candidates

Mr James Dunphy has nominated himself and Mr Michael Rhodes for election as directors of Spark Infrastructure RE and each of Spark Holdings 1, Spark Holdings 2, Spark Holdings 3 and Spark Holdings 4, pursuant to the Governance Deed.

Due to the late receipt of the nominations from Mr Dunphy and Mr Rhodes, the Board has not had the opportunity to undertake the usual background checks in relation to these candidates. However, they have provided details regarding their background and experience.

Mr Dunphy has provided the following biographical details. These biographical details have not been independently verified by Spark Infrastructure. By including the biographical details below, Spark Infrastructure does not in any way endorse the statement nor its accuracy or reliability.

“James Dunphy

LL.B (Hons) Victoria University of Wellington

James spent 25 years as an investment banker, including 19 years with Credit Suisse where he was appointed a Managing Director in 2005 in Sydney following six years in New York. James advised on more than \$40 billion of merger & acquisition transactions, the largest of which was SABMiller’s acquisition of Foster’s Group for \$12.8 billion. James led teams which underwrote more than \$30 billion of acquisition financing in both the US and in Australia across the general industrial, consumer, healthcare and infrastructure sectors. Transactions for SABMiller, Foster’s Group, Primary Healthcare and Burns Philp in which James had leadership roles all received banking industry awards.

Since leaving investment banking, James has complemented ongoing financial advisory work with direct investments seeking opportunities to bring professional skills, financial investment and board roles in pursuit of ongoing equity value creation. The two most significant roles have been in his various commitments to Greymouth Petroleum in New Zealand where James is a director on all material companies in the group which has emerged as one of the most successful privately-owned upstream oil & gas operators in New Zealand. At Ward Group, Michael Rhodes and James led a recapitalisation and business restructure which has resulted in dramatically improved business performance and substantial value creation for shareholders, driven in part by ongoing involvement by all board members.

James was a director on all SABMiller entities established for the acquisition of Foster’s Group, is a director of MakeThemAccountable.com.au Limited, Peter G Ward Industries Pty Limited and approximately 25 companies in the Greymouth Petroleum group.”

Mr Michael Rhodes has provided the following biographical details. These biographical details have not been independently verified by Spark Infrastructure. By including the biographical details below, Spark Infrastructure does not in any way endorse the statement nor its accuracy or reliability.

“Mr Michael Kenneth Rhodes

LLB (Syd)

Mr Rhodes is a retired Solicitor admitted to practice law in Victoria, Queensland and New South Wales. Mr Rhodes is a Non-Executive Director of Invapay Australia Limited, Invapay New Zealand Limited, and Chair of the Ward Civil Engineering Group

Mr Rhodes has Chaired 2 ASX listed companies, and has over 40 year’s experience as a Solicitor, Company Director, and General Counsel and Company Secretary. Mr Rhodes worked mainly in International and Domestic corporate law, and the commercial litigation areas when in private practice. He has had extensive experience in banking and asset management as Counsel at Credit Suisse Asset Management, and General Counsel and Group Company Secretary for a Sydney based ASX listed Funds Manager

Mr Rhodes is a Life member of the Law Society of New South Wales, a Member of the Chartered Institute of Arbitrators UK, 1986-2016, and a Member of the Risk Management Institute of Australasia 2008 to present.”

Reasons why the Board does not support Resolutions 4 or 5

Spark Infrastructure has a robust succession planning process in place to identify and nominate potential directors. This process considers the skills needed by the Board and is guided by the Board skills matrix and the skills and expertise of existing Directors.

As part of the continual Board succession planning process, Ms Christine McLoughlin and Ms Karen Penrose were appointed in October 2014 and Dr Doug McTaggart was appointed in December 2015.

Together, the Directors contribute senior executive experience, experience in the financial services industry and in-depth knowledge of the legislative and regulatory framework governing this industry, financial accounting and reporting and corporate finance experience, experience in the infrastructure industry and in developing an asset or investment over the long term, and an understanding of the health, safety and environmental challenges that Spark Infrastructure faces.

The Board, assisted by the Remuneration and Nomination Committee, made enquiries to the extent possible in relation to the credentials of Mr Dunphy and Mr Rhodes and carefully considered their nominations for election as directors in the context of the Board skills matrix adopted by the Board as part of its succession planning process.

The Board is of the view that the skills brought by Mr Dunphy and Mr Rhodes are already reflected in the Board's current composition and considers that Mr Dunphy and Mr Rhodes would not add to the effectiveness of the Board.

Recommendation on Resolution 4

Having regard to the criteria adopted by the Board for director appointments, the Board does not believe that it is in the best interests of Securityholders that Mr James Dunphy be elected as a director and unanimously recommends that you vote **AGAINST** Resolution 4.

Recommendation on Resolution 5

Having regard to the criteria adopted by the Board for director appointments, the Board does not believe that it is in the best interests of Securityholders that Mr Michael Rhodes be elected as a director and unanimously recommends that you vote **AGAINST** Resolution 5.

Resolution 6 – Grant of Performance Rights to Mr Rick Francis

As explained in the 2015 Remuneration Report, following feedback from Securityholders and to further align the interests of Executives and Securityholders, Spark Infrastructure has introduced an Equity Incentive Plan ("**Incentive Plan**"). Under the Incentive Plan, Executives will receive the long term incentive ("**LTI**") component of their remuneration in the form of Performance Rights, which will only vest if the performance and other conditions are satisfied. If the Performance Rights vest, the Executives will be allocated Stapled Securities.

Why is Securityholder approval being sought?

In accordance with ASX Listing Rule 10.14, Spark Infrastructure is seeking the approval of Securityholders for the grant of Performance Rights to the Managing Director and Chief Executive Officer, Mr Rick Francis, under the Incentive Plan on the terms set out below.

While the Board expects that all Stapled Securities allocated on vesting of awards under the Incentive Plan will be sourced on market, Securityholder approval is nevertheless being sought in the interests of transparency and good corporate governance.

How many Performance Rights will Mr Francis receive?

It is proposed that Mr Francis be granted 276,589 Performance Rights as his long-term incentive award in respect of 2016.

The number of Performance Rights to be granted to Mr Francis has been determined by dividing \$531,050 (i.e. an amount equivalent to 65% of Mr Francis' Fixed Remuneration) by the "face value" of the Stapled Securities underlying the Performance Rights (i.e. \$1.92). This "face value" is the volume weighted average price of Stapled Securities traded in the 20 trading days up to and including 31 December 2015, i.e. the start of the performance period.

What is a Performance Right and when will they be allocated?

Each Performance Right is a conditional entitlement to one Stapled Security that will rank equally with those traded on the ASX. Performance Rights granted under the Incentive Plan do not carry any dividend or voting rights until they vest.

The Performance Rights will be granted at no cost to Mr Francis, and no amount is payable on vesting of the Performance Rights if the performance conditions are met.

Mr Francis will receive one Stapled Security for every Performance Right that vests, together with a distribution equivalent payment for each Stapled Security allocated on vesting. The distribution equivalent payment will be approximately equal to the distributions that Mr Francis would have been entitled to receive had he held the Stapled Securities during the performance period, but is only payable where a Performance Right vests.

If approval is obtained, the Performance Rights will be granted to Mr Francis as soon as practicable after the Annual General Meeting. In any event, they will not be granted more than 12 months after the date of the Annual General Meeting.

What are the performance conditions?

The Board has determined that the Performance Rights to be granted to Mr Francis will be subject to a risk adjusted Total Shareholder Return ("**TSR**") performance hurdle and will be subject to Spark Infrastructure's risk adjusted TSR performance relative to the TSR performance of the companies comprising the ASX 200 index (as at 1 January 2016).

The risk adjusted TSR is the return on a security in excess of what would be expected given its relative riskiness (or beta as determined by capital asset pricing model principles). The excess return of Spark Infrastructure is compared to the excess returns of S&P ASX 200 index companies, over the performance period, to determine its percentile ranking. The level of risk adjusted TSR growth achieved by Spark Infrastructure in each period is given a percentile ranking having regard to its performance versus companies in the peer groups.

The methodology used to calculate the risk adjusted TSR performance measure is available on the corporate website.

The risk adjusted TSR will be measured over a four-year performance period commencing on 1 January 2016 and ending on 31 December 2019 ("**performance period**"). Shortly after the end of the performance period, the performance conditions will be tested and Spark Infrastructure's relative ranking will be determined.

The number of Performance Rights that vest will be determined by the Board by reference to the following table (subject to any adjustments for abnormal or unusual events (including a significant acquisition) that the Board, in its discretion, considers appropriate).

Relative ranking	% of Performance Rights that vest
< 51 st	0%
51 st	30%
51 st – 75 th	Increasing proportionally on a straight line basis from > 30% to <100%
75 th or higher	100%

If any Performance Rights do not vest on testing, they will immediately lapse.

What happens to the Performance Rights if Mr Francis ceases employment?

Performance Rights will generally lapse if Mr Francis resigns or is terminated for cause. In other circumstances of cessation, a pro-rata portion of the Performance Rights would typically remain on foot subject to the original terms, and the remaining portion will lapse. The Board retains the discretion to determine an alternative treatment.

The Board has the discretion to settle the vested Performance Rights by a cash equivalent payment instead of Stapled Securities in appropriate circumstances and an example would often be where employment ceased in “good leaver” circumstances.

What happens in a change of control situation?

Under the Incentive Plan, the Board has the discretion to vest some or all of the Performance Rights if there is likely to be a change of control. Any Performance Rights that do not vest will lapse.

In the event that a change of control occurs before the Board exercises its discretion, a pro-rata portion of the Performance Rights will vest and the Board retains a discretion to determine how the remaining portion will be treated.

Other information required by the ASX Listing Rules

- Mr Francis is the only Director entitled to participate in the Incentive Plan.
- There is no loan in relation to the acquisition of Performance Rights.
- As disclosed in the 2015 Remuneration Report, the LTI component of Mr Francis’ remuneration for the financial year ended 31 December 2015 was changed in response to Securityholder feedback, so that on vesting, Mr Francis would receive Stapled Securities sourced on market.
- If approval is given by Securityholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.
- Voting restrictions apply in relation to this resolution and are described on pages 3 and 4 of this Notice of Meeting.

Recommendation

The Non-executive Directors consider the grant of Performance Rights to Mr Francis to be reasonable and appropriate in all the circumstances. The Non-executive Directors recommend that Securityholders vote **IN FAVOUR** of Resolution 6.

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