



Wednesday, 19 April 2017

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

Dear Sir / Madam

**2017 AGM Notice of Meeting and 2016 Annual Report and Shareholder Review**

Please find attached Spark Infrastructure's Notice of Meeting for the 2017 Annual General Meeting, 2016 Annual Report, and 2016 Shareholder Review. An updated Corporate Governance Statement is also attached.

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 2017 Annual General Meeting of Spark Infrastructure (**AGM**) is attached. The meeting will be held on Tuesday, 23 May 2017 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 approval of the Managing Director and Chief Executive Officer's long-term incentive grant under Spark Infrastructure's 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 has again self-nominated for election to the Board (Resolution 3). The Board appointed an independent external specialist advisory firm to assist in its consideration of Mr Dunphy's external nomination. Having undertaken a formal assessment process, which had 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 be elected as a director. The Board therefore does not support his election as a director and recommends that Securityholders vote **against** his election.

The Board believes that orderly succession and renewal of the Board is achieved by careful long-term planning. The appropriate composition of the Board is continually under review. As announced in November 2016, Dr Keith Turner will retire at the conclusion of the AGM, having served on the Board of Spark Infrastructure since 2009. The Board also announced the appointment of Mr Greg Martin as a Director of the Board with effect from 1 January 2017. Mr Martin is standing for election at the AGM.

Your Board believes that the overall composition of the Board is appropriate and 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](http://www.sparkinfrastructure.com).

On behalf of the Board, we look forward to welcoming you to the 2017 AGM.



**Dr Doug McTaggart**  
Chairman  
19 April 2017

**Spark Infrastructure**  
**Notice of Annual General Meeting 2017**

11.30am Tuesday, 23 May 2017

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 Tuesday, 23 May 2017 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 2016.

### ***Resolutions 1 and 2 – Election and re-election of Board-endorsed Directors***

#### *Resolution 1 – Re-election of Ms Anne McDonald*

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

**THAT** Ms Anne McDonald, 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 2 – Election of Mr Greg Martin*

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

**THAT** Mr Greg Martin 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 3 – Election of non-Board endorsed director candidate***

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 4 – 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, 234,978 Performance Rights under the Spark Infrastructure Equity Incentive Plan as his 2017 long term incentive award, on the terms set out in the Explanatory Notes to this Notice of Meeting.

### ***Resolution 5 – 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 2016 be adopted.

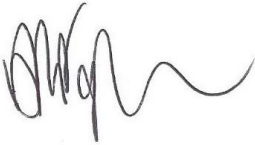
Note: If 25% or more of the votes cast on this resolution are against the resolution, the conditional spill resolution below will be put to Securityholders for their consideration and vote.

**Resolution 6 – Conditional spill resolution**

If required, to consider and if thought fit, to pass the following ordinary resolution as a resolution of Securityholders:

**THAT**, subject to and conditional on at least 25% of the votes cast on Resolution 5 being cast against the adoption of the remuneration report:

- (a) an extraordinary general meeting of Spark Infrastructure Trust (the “**Spill Meeting**”) be held within 90 days of the passing of this resolution;
- (b) all of the Non-Executive Directors in office when the resolution to make the Director’s Report for the financial year ended 31 December 2016 was passed (being Dr Doug McTaggart, Mr Andrew Fay, Ms Anne McDonald, Ms Christine McLoughlin, Mr Greg Martin, Ms Karen Penrose and Dr Keith Turner) and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.



.....

Doug McTaggart  
Chairman  
19 April 2017

## **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 Tuesday, 16 May 2017.

### ***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 Sunday, 21 May 2017 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.

### ***Director elections and re-elections (Resolutions 1 and 2)***

As Mr Greg Martin is standing for election and Ms Anne McDonald 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 4)***

In accordance with the Corporations Act and the ASX Listing Rules, Spark Infrastructure will disregard any votes cast on Resolution 4:

- 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 4:

- 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 4 is connected with the remuneration of a member of the KMP.

### ***Remuneration report and conditional spill resolution (Resolutions 5 and 6)***

In accordance with the *Corporations Act 2001* (Cth) (“**Corporations Act**”), Spark Infrastructure will disregard any vote cast on Resolutions 5 and 6:

- 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 Resolutions 5 and 6 and the appointment specifies how the proxy is to vote on the relevant Resolution; and
- as proxy for a person entitled to vote on Resolutions 5 and 6 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 relevant Resolution.

### ***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 Monday, 22 May 2017. 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 BoardRoom Pty Limited (“BoardRoom”) using the reply paid envelope enclosed with this notice;
- mailing it to BoardRoom, GPO Box 3993, Sydney NSW 2001;
- lodging it online at [www.votingonline.com.au/skiagm2017](http://www.votingonline.com.au/skiagm2017). 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 BoardRoom on +61 2 9290 9655; or
- hand delivering it to BoardRoom at Level 12, 225 George St, Sydney NSW 2000 (during normal business hours).

Your completed proxy form (and any necessary supporting documentation) must be received by BoardRoom **no later than 11.30am (Sydney time) on Sunday, 21 May 2017.**

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 BoardRoom by 11.30am (Sydney time) on Sunday, 21 May 2017 unless it has been previously provided to BoardRoom.

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 Resolutions 5 and 6, but may vote undirected proxies in respect of Resolutions 1, 2, 3 and 4. The Chair of the meeting intends to vote undirected proxies addressed to him **in favour of** Resolutions 1, 2, and 4 and **against** Resolution 3.

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 "Appointment of Corporate Representative form" can be obtained from BoardRoom for this purpose by visiting the forms menu of BoardRoom's website (<https://www.boardroomlimited.com.au/forms/Appointment%20of%20Corporate%20Representative.pdf>) or calling BoardRoom's investor response centre on 1800 000 639 (from within Australia) or +61 2 9290 9600 (from outside Australia). 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 2016 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.

### ***Resolutions 1 and 2 – Election and re-election of Board-endorsed Directors***

Resolutions 1 and 2 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, Ms Anne McDonald, who was last re-elected by Securityholders at the 2015 Annual General Meeting, is standing for re-election at this meeting.

In addition, Mr Greg Martin, having been appointed to fill a casual vacancy on 1 January 2017, is now standing for election at this meeting.

A brief description of each candidate follows:

**Re-election of Ms Anne McDonald**

**Ms Anne McDonald BEc, FCA, GAICD  
Independent Director (since January 2009)**

Ms McDonald is the Chair of WaterNSW, a Non-Executive Director of Link Administration Holdings Ltd (Link Group) and Co-Chair of Specialty Fashion Group Limited. Ms McDonald was previously a director of GPT Group from 2006 to 2016, a director of Sydney Water Corporation from 2013 to 2016 and a director of Westpac's life insurance and general insurance businesses from 2006 to 2015.

Ms McDonald served as a partner of Ernst & Young for 15 years until 2005. She has broad based business and financial experience, gained through working with a wide cross section of international and local companies, assisting them with audit, transaction due diligence and regulatory and accounting requirements. She was a Board member of Ernst & Young Australia for 7 years.

Ms McDonald has been a Non-Executive Director of Victoria Power Networks, CitiPower and Powercor since 2009. In addition, she is Chair of the Audit Committee of Victoria Power Networks and a member of its Risk and Compliance Committee.

Ms McDonald is Chair of the Audit Risk and Compliance Committee and a member of the Nomination and Remuneration Committee

Ms McDonald has held the following directorships of other Australian listed entities within the last three years.

Listed Entity	Period directorship held
GPT Group	2006 to 2016
Specialty Fashion Group Limited	2007 to present
Link Administration Holdings	2016 to present

**Recommendation**

The Board of Spark Infrastructure RE as responsible entity of Spark Infrastructure Trust ("**Board**") (with Ms McDonald abstaining) unanimously supports the re-election of Ms McDonald, and recommends that you vote **IN FAVOUR** of Resolution 1.

**Election of Mr Greg Martin**

**Mr Greg Martin BEc, LLB, FAIM, MAICD  
Independent Director (since January 2017)**

Mr Martin has over 35 years' experience in the energy, utility and infrastructure sectors in Australia, New Zealand and internationally, having spent 25 years with The Australian Gas Light Company (AGL), including five years as CEO and Managing Director. After leaving AGL, Mr. Martin was CEO of the infrastructure division of Challenger Financial Services Group and, subsequently, CEO and Managing Director of Murchison Metals Limited.

Mr Martin is Chair of Iluka Resources Limited, Deputy Board Chair of Western Power and a non-executive Director of Santos Limited. Mr Martin is also Chair of Sydney Desalination Plant. Mr Martin serves as a member of the COAG Energy Council Energy Appointments Selection Panel.

Mr Martin is a Fellow of the Australian Institute of Management, a Member of the Australian Institute of Company Directors and holds a Bachelor of Laws from the University of Technology Sydney and a Bachelor of Economics from the University of Sydney.

Mr Martin has held the following directorships of other Australian listed entities within the last three years.

Listed Entity	Period directorship held
Energy Developments Limited	2006 to 2015
Santos Limited	2009 to present
Iluka Resources Limited	2013 to present

**Recommendation**

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

**Resolution 3 – Election of non-Board endorsed director candidate**

Mr James Dunphy has nominated himself for election 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.

Mr Dunphy has provided the following biographical details.

**“James Dunphy  
LLB (Hons)**

*James spent 25 years as an investment banker, including 19 years with Credit Suisse where he was appointed a Managing Director in 2005. James advised on more than \$40 billion of merger & acquisition transactions, the largest of which was SABMiller plc’s acquisition of Foster’s Group Limited for \$12.8 billion. James led teams which underwrote more than \$30 billion of acquisition financing in both the USA and Australia for companies in 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 to create equity value. In recent years, James led the recapitalisations of Peter G Ward Industries Pty Limited, an engineering and construction business, and the owner of GoLights, one of the fastest-growing lighting businesses in Australia. In 2016, James formed [www.MakeThemAccountable.com.au](http://www.MakeThemAccountable.com.au) to provide a channel for his views on public companies.*

*James was a director on all SABMiller plc Australian entities established for the acquisition of Foster’s Group Limited, is a director of Peter G Ward Industries Pty Limited and [MakeThemAccountable.com.au](http://www.MakeThemAccountable.com.au) Limited, and is an advisory board member for GoLights.”*

### **Reasons why the Board does not support Resolution 3**

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, Mr Greg Martin was appointed to the Board on 1 January 2017.

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, supported by the Nomination and Remuneration Committee, appointed an independent external specialist advisory firm to assist in undertaking a formal assessment of Mr Dunphy's nomination. The Board carefully considered his nomination for election as a director 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 are already reflected in the Board's current composition and considers that Mr Dunphy would not add to the effectiveness of the Board.

### **Recommendation on Resolution 3**

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 3.

### ***Resolution 4 – Grant of Performance Rights to Mr Rick Francis***

As explained in the 2016 Remuneration Report, 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 ("**the MD**"), 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 the MD receive?**

It is proposed that the MD be granted 234,978 Performance Rights as his long-term incentive award in respect of 2017.

The number of Performance Rights to be granted to the MD has been determined by dividing \$531,050 (i.e. an amount equivalent to 65% of the MD's Fixed Remuneration) by the "face value" of the Stapled Securities

underlying the Performance Rights (i.e. \$2.26). This “face value” is the volume weighted average price of Stapled Securities traded in the 30 trading days up to and including 31 December 2016, 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 the MD, and no amount is payable on vesting of the Performance Rights if the performance conditions are met.

The MD 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 equal to the distributions that the MD 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 the MD as soon as practicable after this Annual General Meeting (and in any event, within 12 months of the meeting).

### **What are the Performance Hurdles?**

The Performance Rights to be granted to the MD will be subject to Performance Hurdles being met.

The LTI scheme operates as a four year plan with payments made in the form of equity (Stapled Securities) at the end of four years.

From 2017, in addition to risk adjusted Total Shareholder Return (“TSR”), LTI will be assessed against two cash flow Performance Hurdles: Standalone Operating Cash flow before tax (“Standalone OCF”) and Look-through Operating Cash flow (“Look-through OCF”).

Consequently, the Performance Hurdles for the 2017 LTI awards will consist of three tranches:

- **Tranche 1 (50% of LTI award):** Spark Infrastructure’s risk adjusted TSR performance will be measured over a four-year period.
- **Tranche 2 (25% of LTI award):** Standalone OCF will be measured over a three-year period (the test period), plus require a further one-year service period in order to vest at the end of four years (i.e. a four-year vesting period).
- **Tranche 3 (25% of LTI award):** Look-through OCF will be measured over a three-year period (the test period), plus require a further one year service period in order to vest at the end of four years (i.e. a four-year vesting period).

Tranche 1 – The risk adjusted TSR Performance Hurdle will be subject to Spark Infrastructure’s risk adjusted TSR performance relative to the TSR performance of the companies comprising the S&P/ASX 200 index (as at 1 January 2017).

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 Spark Infrastructure website at <http://sparkinfrastructure.com/about/governance>.

The risk adjusted TSR will be measured over a four-year performance period commencing on 1 January 2017 and ending on 31 December 2020 (“**performance period**”).

The number of Performance Rights that vest will be determined by the Board by reference to Spark Infrastructure’s relative ranking in accordance with the following table.

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

Tranches 2 and 3 – In addition to risk adjusted TSR, Standalone OCF and Look-through OCF Performance Hurdles will apply to the 2017 LTI Grant. The Board believes the inclusion of cash flow measures combined with the risk adjusted TSR Performance Hurdle on the LTI provides the right focus for Executives on delivering long-term Securityholder value.

Standalone OCF and Look-through OCF were selected as the best Performance Hurdle measures among alternatives considered by the RemCo, as explained on pages 18 and 30 of the Remuneration Report.

With the addition of the cash flow Performance Hurdles, 2017 LTI awards will be separated into three tranches, and will vest according to the scale in the table below:

TRANCHE	PERFORMANCE HURDLE	WEIGHTING	PERIOD OF ASSESSMENT	VESTING SCHEDULE
1	Risk adjusted TSR	50%	Four years	Refer above “How is risk adjusted TSR calculated?” in the Remuneration Report
2	Standalone OCF	25%	Performance is assessed over three years (the test period), plus requires a further one year service period in order to vest at the end of four years (i.e. a four-year vesting period)	For each of tranches 2 and 3: <ul style="list-style-type: none"> <li>• 25% vests if performance is 97.5% of three-year aggregate “budget”</li> <li>• 50% vests for on three-year aggregate “budget” performance</li> <li>• 100% vests if performance is at least 105% of three-year aggregate “budget”</li> </ul>
3	Look-through OCF	25%		

While the LTI performance period is four years, a three-year testing period for the OCF Performance Hurdles has been determined as appropriate. This allows for smoothing of outcomes over the testing period in order to reduce volatility between and across regulatory periods.

In assessing performance against the Performance Hurdles, the Board may make any adjustments for abnormal or unusual events (including a significant acquisition) that the Board, in its discretion, considers appropriate to ensure a fair and equitable outcome.

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

### **What happens to the Performance Rights if the MD ceases employment?**

Performance Rights will generally lapse if the MD 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.

### **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**

- The MD is the only Director entitled to participate in the Incentive Plan.
- In accordance with the securityholder approval obtained at the 2016 Annual General Meeting, the MD was allocated 276,589 Performance Rights at no cost to him as his 2016 LTI award.
- There is no loan in relation to the acquisition of Performance Rights.
- 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 4 and 5 of this Notice of Meeting.

### **Recommendation**

The Non-Executive Directors consider the grant of Performance Rights to the MD to be reasonable and appropriate in all the circumstances. The Non-Executive Directors recommend that Securityholders vote **IN FAVOUR** of Resolution 4.

### **Resolution 5 – Remuneration report**

Resolution 5 asks Securityholders to adopt the remuneration report of Spark Infrastructure for the financial period ended 31 December 2016, which is set out on pages 13 to 37 of Spark Infrastructure's annual report 2016.

The remuneration report sets out Spark Infrastructure's approach to remuneration and sets out key 2016 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 recommends that you vote **IN FAVOUR** of Resolution 5.

### ***Resolution 6 – Conditional spill resolution***

This resolution will not be required if more than 75% of votes cast on Resolution 5 are cast in favour of the resolution to adopt the remuneration report.

If this resolution is passed and becomes effective, then it will be necessary for the Board to convene a special general meeting of Securityholders (Spill Meeting) within 90 days of the date of the 2017 AGM in order to consider the composition of the Board. If a Spill Meeting is required, the date of the meeting will be notified to Securityholders in due course.

If a Spill Meeting is held, the following Directors will automatically vacate office at the conclusion of the Spill Meeting unless they are willing to stand for re-election and are re-elected at that meeting:

- Dr Doug McTaggart;
- Andrew Fay;
- Anne McDonald;
- Christine McLoughlin;
- Greg Martin;
- Karen Penrose.

Even if Ms Anne McDonald and Mr Greg Martin are re-elected or elected (as applicable) at the 2017 AGM, they will still need to be re-elected at the Spill Meeting to remain in office following the Spill Meeting.

If elected, Mr James Dunphy, having not been a Non-Executive Director at the time that the resolution to make the Director's Report for the financial year ended 31 December 2016 was passed, is not subject to the conditional spill resolution.

As previously announced, Dr Keith Turner will retire from the Board at the conclusion of this Annual General Meeting. Accordingly, Dr Keith Turner is also not subject to the conditional spill resolution.

The Board recommends that you vote **AGAINST** Resolution 6 if it is put to the meeting.





#### All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1800 000 639  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received **by 11.30am (Sydney time) on Sunday 21 May 2017.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/skiagm2017](http://www.votingonline.com.au/skiagm2017)
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of Spark Infrastructure. Do not write the name of the issuer or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting Spark Infrastructure's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from Spark Infrastructure's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11.30am (Sydney time) on Sunday 21 May 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** [www.votingonline.com.au/skiagm2017](http://www.votingonline.com.au/skiagm2017)
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

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**”)

**Your Address**

This is your address as it appears on Spark Infrastructure’s share register. If this is incorrect, please mark the box with an “X” and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of Spark Infrastructure and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of Spark Infrastructure to be held at the **Radisson Blu Plaza Hotel, 27 O’Connell Street, Sydney NSW 2000 on Tuesday 23 May 2017 at 11.30am (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters (Resolution 4): If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 4 is connected with the remuneration of a member of Spark Infrastructure’s key management personnel.

The Chair of the meeting is not permitted to vote undirected proxies on Resolutions 5 and 6, but may vote undirected proxies in respect of Resolutions 1, 2, 3 and 4. The Chair of the meeting intends to vote undirected proxies addressed to him in favour of Resolutions 1, 2, and 4 and against Resolution 3. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote in favour of, against, or to abstain from voting on an item, you must provide a direction by marking the ‘For’, ‘Against’ or ‘Abstain’ box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

**Please note:** the Chair of the Meeting intends to vote undirected proxies in the manner set out beside each resolution:

		For	Against	Abstain*
FOR	Resolution 1 Re-election of Ms Anne McDonald as a Director (Board-endorsed candidate)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	Resolution 2 Election of Mr Greg Martin as a Director (Board-endorsed candidate)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AGAINST	Resolution 3 Election of Mr James Dunphy as a Director ( <b>non-Board endorsed candidate</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	Resolution 4 Grant of Performance Rights to Mr Rick Francis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N/A	Resolution 5 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>CONTINGENT BUSINESS –</b> <b>Note:</b> Resolution 6 will only be considered at the Meeting if the condition described in the Notice of Meeting is satisfied			
N/A	Resolution 6 Conditional spill resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary