



SUMMARY OF RISK MANAGEMENT POLICY

Spark Infrastructure Group

Adopted by the Board on 8 December 2017

Introduction

Spark Infrastructure RE Limited (the "Company") is the responsible entity and trustee of the Spark Infrastructure Trust (the "Trust").

The Board of the Company recognises that effective management of risk is essential to good corporate governance. Equally, the Board appreciates that, in order to maximise shareholder value, maintaining a sensible "risk appetite" for pursuing investment and business development opportunities is necessary and appropriate. Implementing a risk management framework that balances these concerns is a priority for the Board.

This document is a summary only. Please refer to **CPP: Risk Management Framework** for more detailed information.

Summary of Risk Management Policy

Risk Profile

The Company, the Trust and its consolidated entities (the "Group") are a specialist infrastructure fund which invests in regulated utility infrastructure, both within Australia and overseas.

The Board has delegated responsibility to the Audit, Risk and Compliance Committee (the "ARC Committee") for the oversight of the Group's risk profile and risk management within the risk appetite set by the Board.

The key risks faced by the Group include:

- Changes to the regulatory framework;
- Effective management of the Asset Company shareholder/partnership agreements;
- Financial management and senior debt financing;
- Maintenance of the corporate model;
- Taxation and corporate structure;
- Oversight of the Asset Companies;
- Investor relations;
- Legal and regulatory compliance;

- Outsourcing and key person dependencies; and
- Business continuity and fraud.

The ARC Committee is responsible for assessing the internal process for determining key risk areas and for reporting to the Board on any material changes to the risks facing the Group.

For newly identified risks that are both material and likely to occur, a plan to control the risk must be developed and the ARC Committee and the Board must be updated on the progress against the plan at the next available opportunity.

Risk management and internal compliance and control systems

The Board has delegated responsibility to the ARC Committee for overseeing the adequacy of the Group's risk management framework, policies, processes and assurance systems and their operational adequacy.

The Group maintains a "Risk Profile" which documents the following:

- description of risks impacting the business;
- assessment of the likelihood that the risks will arise;
- assessment of the impact on or consequence to the business if the risk arises;
- assessment of controls in place to manage the identified risk;
- overall evaluation of the assess risks; and
- identification of potential "unacceptable" risks and agreed treatment.

The Risk Profile is reviewed regularly (at least, annually) and updated when necessary.

The Board recognises that risk management is an ongoing and dynamic process. Accordingly, the ARC Committee is also charged with reviewing, reporting and making recommendations to the Board, from time to time, on the continuing effectiveness of the Group's risk policies, appetite and management practices and for monitoring compliance with various laws, regulations, standards and best practice guidelines.

The ARC Committee is also responsible for assessing on an annual basis whether the Trust's compliance plan is adequate and for monitoring and reporting on the extent of compliance.

Assessment of effectiveness

The ARC Committee is responsible for reviewing the effectiveness of the risk management systems in place, including in respect of the reporting and internal control systems.

The ARC Committee has access to management, the internal and external auditor and the Compliance Plan auditor to ensure that the ARC Committee is able to effectively assess the overall adequacy and effectiveness of the Group's legal, regulatory and ethical compliance programs.



Internal sign-offs

The Company has in place a system of internal controls for the identification and management of risk in relation to financial reporting including a system of internal sign-offs to ensure the Company reports in compliance with its legal obligations. The Chief Executive Officer and Chief Financial Officer also provide assurances to the Board as to the integrity of the Company's financial reports and the risk management and internal control processes underlying those reports.