

Extraordinary General Meeting

Proposed Base Fee and Performance Fee Supplement

19 Apr 2022



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Building a well-diversified portfolio of infrastructure businesses and assets that generate long-term growth in distributions and contribute to a sustainable future

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Growth since listing

KIT's portfolio has grown since listing from \$760m as at Dec 2010 to approx. \$4.5b as at 31 Dec 2021

Distributable Income

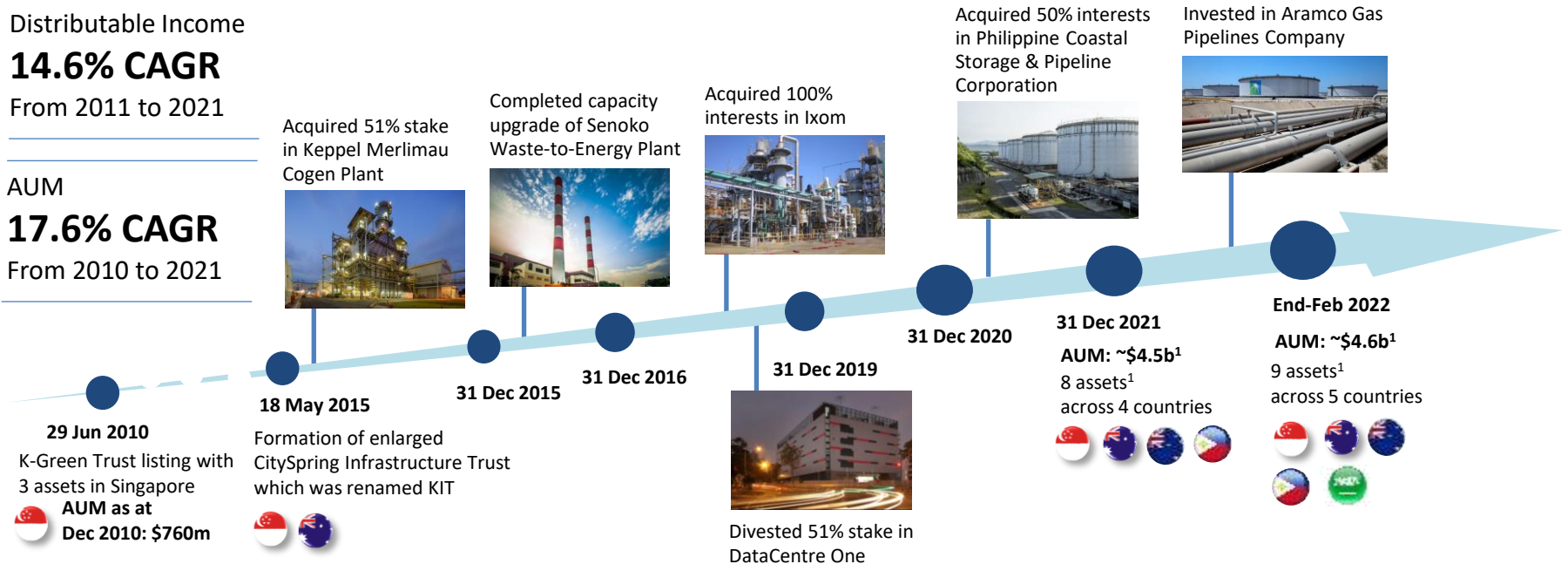
14.6% CAGR

From 2011 to 2021

AUM

17.6% CAGR

From 2010 to 2021



1. Excludes Basslink, which entered voluntary administration on 12 Nov 2021. The operations of Basslink are under the control of the receiver and manager appointed by the lenders.

Overview of the Proposed Fee Amendments

Proposed change in existing management fee and performance fee structure to support KIT's growth plans and align the Trustee-Manager's interests with that of Unitholders

Current Fee Structure
Existing Management Fee \$2m per annum ¹
Existing Performance Fee 4.5% per annum of the Trust Income
Acquisition and Divestment Fee at 0.5% / 1% ² and 0.5% of the enterprise value of the investment acquired or divested, respectively



Proposed Fee Structure
Proposed Base Fee 10% per annum of Distributable Income ³
Proposed Performance Fee 25% per annum of the increase in DPU multiplied by the weighted average number of Units in issue
Acquisition and Divestment Fee No change

1. With adjustments for inflation.
2. The Acquisition Fee will be equal to the rate of 0.5% of the enterprise value of the investment where the investment is acquired from any of the Sponsor Group Entities (as defined in the Trust Deed), or in all other cases, 1% (or such lower percentage as may be determined by the Trustee-Manager) of the enterprise value of the investment.
3. Distributable Income calculated before accounting for the Proposed Base Fee and the Proposed Performance Fee for the relevant period. It refers to Free Cash Flow to Equity for the relevant period. Where reported by KIT (starting from the release of KIT's Key Business and Operational Updates for the first quarter ended 31 March 2022), "Free Cash Flow to Equity" will be re-named to "Distributable Income".

Rationale



Rationale of the Proposed Fee Amendments



- 1 To align fee structure with long-term value creation
- 2 To closer align interests with that of Unitholders
- 3 To deepen and expand talent pool
- 4 To optimise KIT's current portfolio
- 5 To continue to drive portfolio growth through new investments

1 To align fee structure with long-term value creation

Existing Fee Structure



In place since 2010, where the Trustee-Manager had 7 employees managing 3 local assets valued at \$760m



No correlation to KIT's portfolio size and diversity



Limits scalability and growth



Performance fee not linked to DPU growth

Proposed Fee Structure



Better reflects the required level of resources to effectively manage and operate KIT's diverse portfolio: 22 employees¹ managing 9 assets across 5 countries with AUM approx. \$4.6 billion²



Better aligned with Unitholders' interests, considering cash generation and DPU growth



Enables the Trustee-Manager to scale up, grow the talent pool and accelerate KIT's growth plans



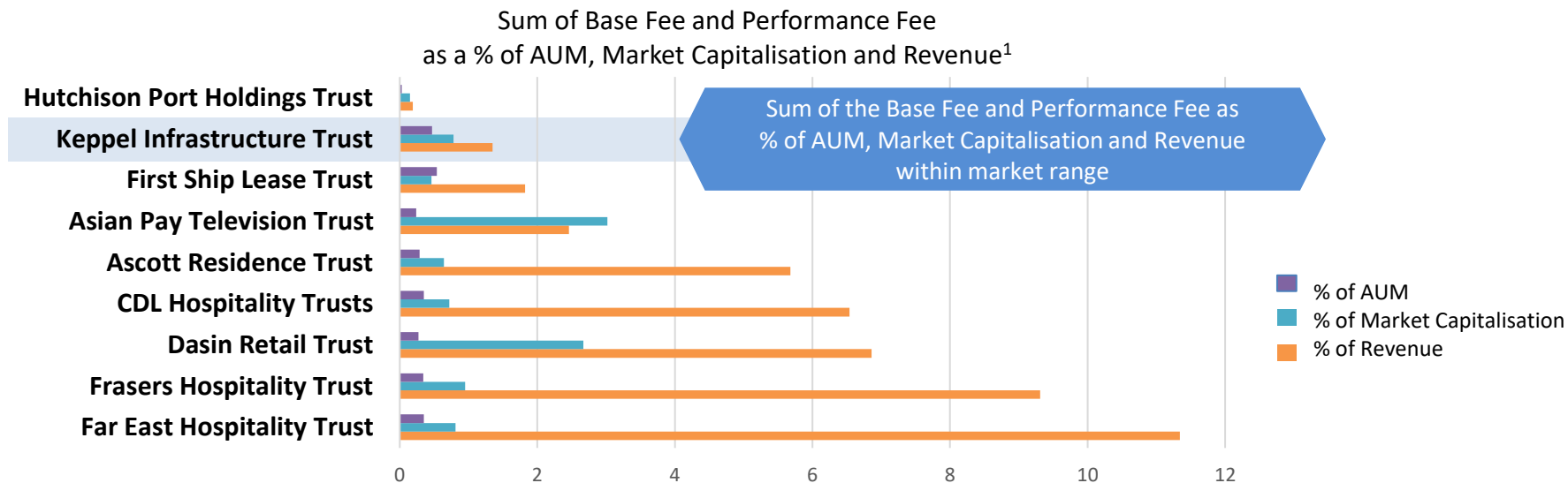
Proposed fee structure is on normal commercial terms and is not prejudicial to KIT and minority Unitholders³



1. As at 31 December 2021.
2. As at end-February 2022.
3. Refer to the Independent Financial Adviser's Letter to the Independent Directors and the Audit and Risk Committee of the Trustee-Manager ("IFA Letter"), a copy of which is set out in Appendix C to the Circular to Unitholders dated 28 March 2022 ("Circular")

2 To closer align interests with that of Unitholders

- **Proposed fee structure results in closer alignment of Trustee-Manager's interests with that of Unitholders**
 - Proposed Base Fee pegged to cash generated by KIT
 - Proposed Performance Fee pegged to DPU growth
- **Proposed fee structure widely adopted by Singapore REITs in the last 5 years i.e. listed after 2017**
- **Proposed fee structure within market range charged by selected Business Trusts**



1. Based on data extracted from paragraphs 4.2.2 and 4.2.3 of the IFA Letter, a copy of which is set out in Appendix C to the Circular.

3 To deepen and expand talent pool

- To widen investible universe across high quality assets in the infrastructure spectrum through:

- Expanding global reach and talent pool in deal origination, execution and operational improvements
- Establishing overseas offices to broaden reach, diversify and originate closer to source



Global mandate with focus on core and core+ infrastructure assets and businesses in developed markets



Leverage the Keppel ecosystem to seek co-investment and/or incubation opportunities



Draw on Keppel's development capabilities and strong operational track record

Key Asset Classes

- Focus on evergreen, yield accretive businesses and assets that will benefit from secular growth trends:

Traditional asset classes with long-term utility-like contracted cash flows



Utilities



Transmission and Distribution

Socio-economic infrastructure that furthers economic growth and enhances social well-being



Transportation



Social

Infrastructure that benefit from the low-carbon economy



Energy Transition



Environmental



Renewables

Asset classes that support the digital economy



Digital and Communications

4

To optimise KIT's current portfolio

- Continue to generate resilient cash flows
- Seek opportunities to grow existing businesses through bolt-on acquisitions and/or expansion plans
- Ongoing portfolio optimisation efforts to create value, including the pursuit of synergistic transactions or divestment of portfolio assets for capital gains



Driving new growth engines: IoT-enabled home solutions and electric vehicle charging services

IXOM

Strategic review of Ixom to unlock value and further KIT's growth

5

To continue to drive portfolio growth through new investments

- Invested in Aramco Gas Pipelines Company in the Kingdom of Saudi Arabia¹, which holds a 20-year lease and lease back agreement over the usage rights of the gas pipelines network
- ✓ Invest in a strong and growing business backed by favourable gas demand dynamics
 - ✓ Top-tier counterparty with strong operational track record
 - ✓ Strongly contracted nature of investment with downside protection
 - ✓ Supports the transition of the Saudi economy towards a more sustainable energy future
 - ✓ Enhances resiliency of KIT's portfolio

1. See KIT's announcements dated 8 February 2022 and 24 February 2022 in relation to the investment.

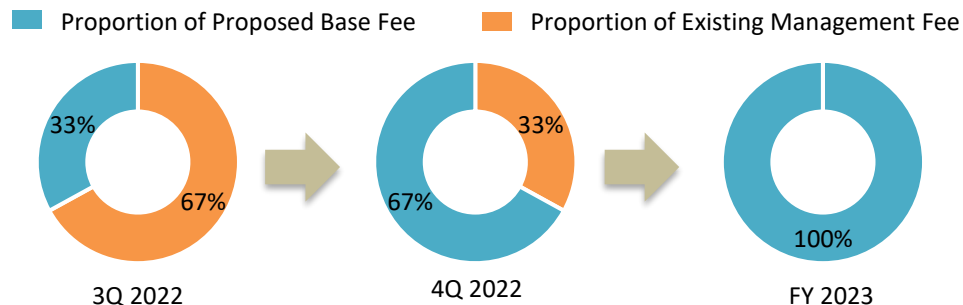
Implementation and Financial Impact



Implementation of Proposed Fee Amendments

- **Proposed Performance Fee:** Only payable with DPU growth; to take effect from 3Q 2022
- **Reflects the progressive growth of KIT's portfolio** and allows more time to build up the Trustee-Manager's resources

Proposed Base Fee only fully implemented in FY 2023



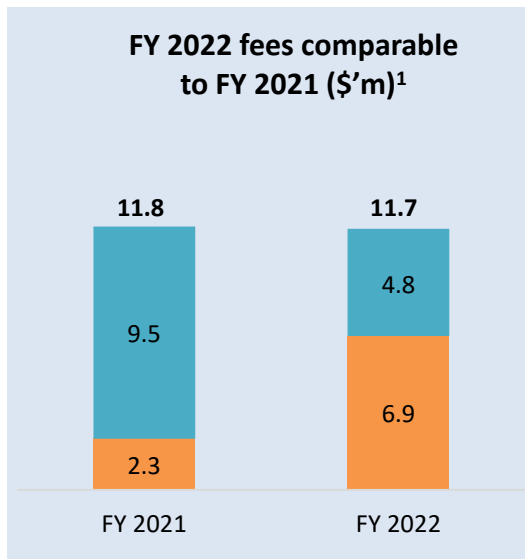
Illustrative Computations*	FY 2022				FY 2023
	1H	3Q	4Q	Total	FY
Existing Management Fee (\$\$) ¹	1.2m	0.4m	0.2m	1.8m	-
Proposed Base Fee (\$\$) ²	-	1.7m	3.4m	5.1m	20.4m
Existing Performance Fee (\$\$) ³	4.8m	-	-	4.8m	-
Proposed Performance Fee (\$\$) ^{4,5}	-	-	-	NIL ⁵	0.8m ⁴
Total	6.0m	2.1m	3.6m	11.7m	21.2m

* Based on KIT's FY 2020 and FY 2021 Audited Financial Statements and should be read together with the full text of Appendices B and B2 of the Circular.

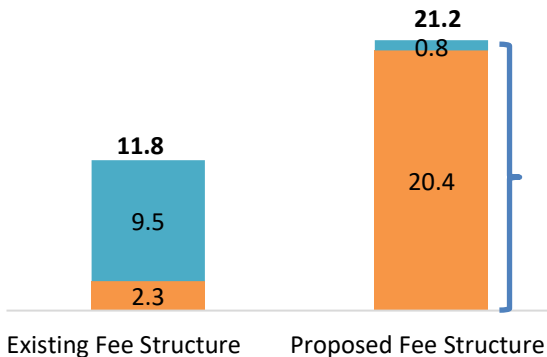
1. Based on the Existing Management Fee of \$2.3m paid to the Trustee-Manager in respect of FY 2021. See paragraph 2.1 and 2.3.3 of the Circular for further details.
2. Distributable Income (calculated before accounting for the Proposed Base Fee and the Proposed Performance Fee) for FY 2021 is approximately \$204.0m. See Section A2 of Appendix B1 for further details on the computation of the Proposed Base Fee for FY2021. The Proposed Base Fee will be implemented progressively from 3Q 2022, as described in paragraph 2.3.3 of the Circular. The illustrative impact for the full year ended FY 2022 and FY 2023 is therefore \$5.1m and \$20.4m respectively as shown in the table.
3. Based on the Existing Performance Fee of \$9.5m paid to the Trustee-Manager in respect of FY 2021. The Existing Performance Fee shall cease to be payable on 1 July 2022.
4. There was an increase in DPU in respect of FY 2021 of \$0.0006 per unit as compared with the DPU in respect of FY 2020, and the weighted average number of Units in issue in FY 2021 was 4,991.0m. Assuming the same DPU increase was declared for FY 2022 and FY 2023 and the weighted average number of Units remain unchanged, the illustrative Proposed Performance Fee for FY 2022 and FY 2023 is \$0.8m. See Section B of Appendix B1 of the Circular for further details on the computation of the Proposed Performance Fee for FY2021.
5. No Proposed Performance Fee will be payable for FY2022 given that the Proposed Performance Fee of \$0.8m for FY2022 is less than the Existing Performance Fee of \$4.8m paid for 1H FY 2022. See paragraph 2.3.5(b) of the Circular for further details.

Illustrative Financial Impact on Unitholders¹

- **FY 2022 fees comparable to FY 2021:** Illustrative fees of **~\$11.7m** for FY 2022 (after progressive implementation of Proposed Base Fee) vs fees of **~\$11.8m** for FY 2021



Existing vs Proposed Base and Performance Fee Structure FY 2021 (\$'m)²



✓ Closer alignment with Unitholders' interests: Pegged to DPU growth and cash generated by KIT



✓ Better reflects the required level of resources to manage and grow KIT's portfolio

Existing Management Fee or Proposed Base Fee (as applicable) Existing Performance Fee or Proposed Performance Fee (as applicable)

1. See Appendix B2 of the Circular for further details.

2. See paragraph 2.4.1 of the Circular for further details.

Resolution



Resolution



To approve the Proposed Base Fee and Performance Fee Supplement



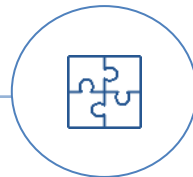
Supports growth aspirations



Better aligned with Unitholders' interests



Better reflects resources required to manage KIT's diverse portfolio



Commonly adopted by newly-listed REITs



Fee quanta within market range charged by selected Business Trusts

Opinion of the Independent Financial Adviser (IFA): The IFA is of the opinion that the Proposed Base Fee and Performance Fee Supplement is on normal commercial terms and is not prejudicial to KIT and the minority Unitholders. The IFA advises the Independent Directors and the Audit and Risk Committee to recommend that Unitholders vote in favour of the Proposed Base Fee and Performance Fee Supplement.

Thank You

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