

NOTICE OF SPECIAL MEETING

Equity Partners Infrastructure Company No.1 Limited



Notice is hereby given that a Special Meeting of Shareholders of Equity Partners Infrastructure Company No.1 Limited ("EPIC") will be held at the Princes Ballroom, Pullman Hotel, Cnr Waterloo Quadrant & Princes Street, Auckland on Friday, 18 November 2011, at 10am.

BACKGROUND

- (a) EPIC is considering various proposals which, if implemented, would result in EPIC selling its 1.24 percent indirect interest in Thames Water.
- (b) If a transaction results from the current proposals EPIC's expectation is that it will receive an aggregate gross sale price (adjusted for any distributions received by the company prior to completion of the sale and prior to deduction of costs and fees) for its indirect interest in Thames Water of not less than £34,000,000.
- (c) The directors of EPIC have unanimously resolved that EPIC should seek to divest its indirect interest in Thames Water through the current (or other) proposals.
- (d) The sale of EPIC's indirect interest in Thames Water will constitute a "major transaction" for the purposes of section 129 of the Companies Act 1993, and requires approval by a special resolution of shareholders.
- (e) The Explanatory Note which accompanies this Notice of Meeting sets out further background.

BUSINESS

1. Address by the Chairman.
2. To consider and, if thought fit, to pass the following as a special resolution of EPIC:

The sale by Equity Partners Infrastructure Company No. 1 Limited of its aggregate indirect interest in Thames Water at a gross consideration of not less than £34,000,000 (adjusted for any distributions received by the company prior to completion of the sale and prior to deduction of costs and fees) is authorised and approved on such terms as the Board of the company may approve.

VOTING

The shareholders who are entitled to vote at the meeting are those shareholders whose names are registered in EPIC's share register at 5pm (New Zealand time) on Wednesday, 16 November 2011.

PROXIES

A Proxy Form is included with this Notice of Meeting. A shareholder entitled to vote at the meeting but who cannot attend may appoint a Proxy to attend the meeting and vote on his or her behalf. A Proxy need not be an EPIC shareholder.

To be valid, a completed Proxy Form (and any power of attorney under which it is signed - refer to the notes on the reverse of the Proxy Form) must be deposited with EPIC so that it is received no later than 10am (New Zealand time) on Wednesday, 16 November 2011.

A completed Proxy Form may be deposited by posting in New Zealand to Equity Partners Infrastructure Company No.1 Limited c/- Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, New Zealand. A Proxy Form may also be deposited by faxing it to (09) 488 8787 or by delivering it to EPIC's registered office shown below.

SPECIAL RESOLUTION OF SHAREHOLDERS

A special resolution is a resolution approved by 75 percent of the votes of those shareholders entitled to vote and voting on the question.

EQUITY PARTNERS INFRASTRUCTURE COMPANY NO.1 LIMITED'S REGISTERED OFFICE IS:

c/- Perpetual
305 Lincoln Road
Christchurch, 8024, New Zealand

A handwritten signature in black ink, appearing to read "Margaret Devlin", written over a horizontal line.

Margaret Devlin
Chairman

3 November 2011

EXPLANATORY NOTE

These notes form part of the Notice of Meeting

REASONS FOR PROPOSED RESOLUTION

The purpose of this Explanatory Note is to provide information to shareholders relating to the proposed resolution on the sale of EPIC's indirect interest in Thames Water.

The sale by EPIC of its 1.24 percent indirect interest in Thames Water would be a "major transaction" for the purposes of the Companies Act 1993, as it would involve the disposition of assets of the company, the value of which is more than half the value of the company's assets before the disposition. Under section 129 of the Companies Act 1993, a company must not enter into a major transaction unless the transaction is approved by, or contingent on, a special resolution of shareholders.

In accordance with EPIC's constitution and the Companies Act 1993, a special resolution is a resolution approved by a majority of 75 percent of the votes of those shareholders entitled to vote and voting on the question.

SALE PROCESS

EPIC has an indirect 1.24 percent interest in Thames Water. The interest is held through a structure which confers pre-emptive rights on other indirect shareholders in Thames Water. As a result, for EPIC to dispose of its interest it must first offer its interest to other shareholders. If the other shareholders do not buy that interest, EPIC may sell that interest to another party (which may include an existing shareholder) at a price no less and on terms no more favourable than those offered in the pre-emptive process.

Any divestment of EPIC's interest in Thames Water may therefore be effected by way of one or more separate transactions which, if successfully completed, would result in the divestment of EPIC's entire 1.24 percent indirect interest in Thames Water.

SALE PRICE

It is expected that any divestment of EPIC's aggregate indirect interest in Thames Water would result in EPIC receiving an aggregate sale price of not less than £34,000,000, less transaction costs and fees (including the performance fee payable under the Investor Services Agreement with Macquarie Investment Management (UK) Limited).

TIMING

It is expected that any transactions will be completed prior to the end of this calendar year and, in any event, no later than 30 April 2012 (when EPIC's debt facilities with National Australia Bank expire). However, as any transactions will be subject to pre-emptive rights processes and may form part of a series of other larger transactions with a number of other parties, the precise timing of any transactions cannot be specified.

INDEPENDENT ADVISOR'S REPORT

EPIC has commissioned an independent advisor's report in relation to the proposed sale of its interest in Thames Water. The purpose of the independent advisor's report is to assess the merits of the proposed sale. Shareholders are referred to the summary of the independent advisor's report accompanying this Notice of Meeting prepared by PricewaterhouseCoopers, which contains further information on the sale and reports on the merits of the sale. The full version of the independent advisor's report will be made available on EPIC's website (www.epam.co.nz) prior to the meeting of shareholders.

CERTAINTY OF TRANSACTIONS

As noted above, the proposed transactions form part of a series of other larger transactions with a number of other parties. Given that EPIC holds an indirect interest of only 1.24 percent in Thames Water, it has a very limited ability to influence those transactions. In addition, the sale of EPIC's indirect interest in Thames Water is subject to the approval of National Australia Bank. Therefore, it is not certain that any transaction will proceed.

DIRECTORS' RECOMMENDATION

The directors of EPIC, having carefully considered the issues, unanimously recommend that shareholders vote in favour of the resolution. The proceeds from any transaction are expected to be sufficient to enable EPIC to repay, in full, its debt facilities with National Australia Bank, with surplus cash remaining. Once any transaction has been completed, the directors of EPIC will review EPIC's capital needs with a view to determining how any such surplus should be applied.