

BIP Taxation Overview – U.S. Investors

BROOKFIELD INFRASTRUCTURE PARTNERS L.P. (“BIP”)

2019

Brookfield



Cautionary Statement Regarding Forward-Looking Statements

This presentation contains forward-looking statements and information, within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations, concerning the business and operations of Brookfield Infrastructure. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this presentation include statements regarding the applicability of withholding taxes and the anticipated rates with respect thereto, the tax characteristics of Brookfield Infrastructure and our units and the process through which Brookfield Infrastructures’ dividend is paid. In some cases, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “typically”, “generally” “intends”, “anticipates”, “believes”, “potentially”, “tends”, “continue”, “attempts”, “likely”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this presentation are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward-looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to, the following: changes in tax laws, regulations and policies in the jurisdictions in which we operate, general economic and market conditions in the jurisdictions in which we operate (including that management’s expectations may differ from actual economic and market trends), regulatory developments and changes in inflation rates in the U.S. and elsewhere, the fact that success of Brookfield Infrastructure is dependent on market demand for an infrastructure company, which is unknown, the availability of and our ability to obtain equity and debt financing and the terms thereof, foreign currency risk, the outcome and timing of various regulatory, legal and contractual issues, global credit and financial markets, the competitive business environment in the industries in which we operate, the competitive market for acquisitions and other growth opportunities, our ability to satisfy conditions precedents required to complete, our ability to integrate acquisitions into existing operations and the future performance of those acquisitions,, our ability to close planned transactions, our ability to complete large, capital expansion projects on time and within budget, favourable commodity prices, our ability to achieve the milestone necessary to deliver the targeted return to our unitholders, weakening demand for products and services in the markets for the commodities that underpin demand for our infrastructure, ability to negotiate favorable take-or-pay contractual terms, the continued operation of large capital projects by customers of our businesses which themselves rely on access to capital and continued favourable commodity prices, changes in technology which have the potential to disrupt business and industries which we invest, uncertainty with respect to future sources of investment opportunities, traffic on our toll roads and other risks and factors described in the documents filed by Brookfield Infrastructure Partners L.P. with the securities regulators in Canada and the United States including under “Risk Factors” in its most recent Annual Report on Form 20-F.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. The forward-looking statements represent our views as of the date of this presentation and should not be relied upon as representing our views as of any subsequent date. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law. For further information on these known and unknown risks, please see “Risk Factors” included in our annual report on Form 20-F.

References to Brookfield Infrastructure are to Brookfield Infrastructure Partners L.P. together with its subsidiary and operating entities unless the context reflects otherwise. All amounts are in U.S. dollars and presented on a consolidated basis unless otherwise specified.

Executive Summary

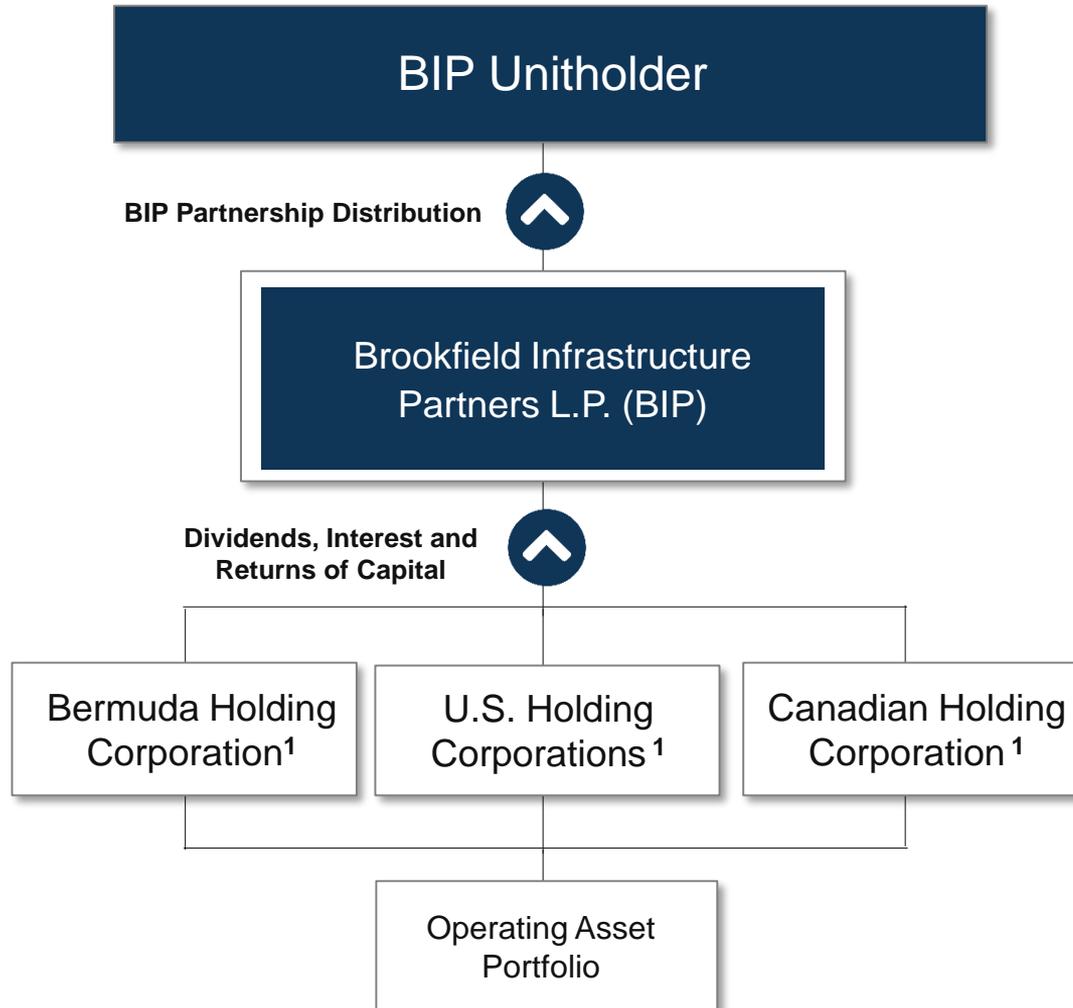
- BIP is a Bermuda-domiciled limited partnership that typically funds its distributions¹ with dividend income, interest income, and returns of capital generated from corporate subsidiaries based in Canada, U.S. and Bermuda
- BIP does not have the tax characteristics of a typical U.S. Master Limited Partnership (“MLP”) and does not generate Unrelated Business Taxable Income (“UBTI”)
 - BIP does not anticipate generating Unrelated Business Taxable Income (“UBTI”) and has not generated any historically
- The following considerations are relevant to a U.S. unitholder:
 - A significant portion of BIP’s distributions² is Bermuda source dividend which is a fully taxable “ordinary dividend”
 - A small portion of BIP’s distributions come from dividends from U.S. and Canada. These are considered “qualified dividends”, eligible for a preferential U.S. income tax rate (for individuals)
 - Unitholders will receive a Schedule K-1 tax form in February which reports a unitholder’s allocable share of taxable income for the previous taxable year
- The withholding tax rate on distributions to U.S. unitholders depends on the nature and source of the distribution (see summary on page 5)
- Withholding tax paid by U.S. unitholders on distributions may be eligible for a foreign tax credit

1) The distribution mix may vary from year-to-year. The comments above are based on the distributions made in the past 2 years.

2) U.S. unitholders will pay income tax on these distributions, and the tax rate is dependent on their tax profile.

Simplified Organizational Chart

BIP's distribution is typically paid via the cash flows outlined below:



1) These holding corporations are held indirectly by Brookfield Infrastructure Partners L.P. via its direct interest in Brookfield Infrastructure L.P. – a Bermuda resident partnership

Distribution Profile for Withholding Tax Purposes

The profile of Brookfield Infrastructure's distribution types and applicable withholding tax rate is as follows:

	Withholding Tax
Canadian Dividend	15% ¹
Canadian Interest	0% ¹
Return of Capital (Canada, U.S. or Bermuda)	0%
Bermuda Dividend	0%
U.S. Dividend & Interest	0%

- Bermuda and U.S. dividends, U.S. interest, and returns of capital (from Canada, U.S. or Bermuda) are not subject to withholding tax for properly documented U.S. Unitholders
- Dividends from Canada are generally subject to Canadian withholding tax of 25%. However, for most taxable U.S. unitholders eligible for treaty benefits such dividends are withheld at a reduced rate of 15%
- Interest from Canada are generally subject to Canadian withholding tax of 25%. However, for most taxable U.S. unitholders eligible for treaty benefits such interest are withheld at a reduced rate of 0%

1) Based on withholding tax rates for taxable U.S. unitholders eligible for the benefits of the U.S.-Canada double tax treaty. Withholding tax rates may vary for U.S. tax exempt entities. To have the reduced withholding tax rates apply, the unitholder must provide the appropriate Canadian tax form (NR301, NR302, or NR303) to their broker

Additional Considerations for U.S. Asset Managers with Non-U.S. Clients

- For non-U.S. residents that own less than 5% of BIP, there is not expected to be U.S. tax filings that result solely from the ownership of a BIP unit.
 - BIP is not anticipated to generate U.S. sourced Effectively Connected Income (“ECI”), Commercial Activity Income (“CAI”) or Unrelated Business Taxable Income (“UBTI”) and has not generated any historically
 - BIP does not directly own any U.S. trade or business assets
 - Direct ownership of BIP units by non-U.S. unitholders that own less than 5% of BIP should not itself generate any U.S. FIRPTA related filings
- For non-U.S. unitholders, the withholding tax rate on distributions depends on the nature (i.e. interest, dividends or return of capital) and source country (i.e. Canada, U.S., or Bermuda) of the distribution