

# NOTICE OF ANNUAL MEETING

Notice is hereby given that the 2016 annual meeting of the shareholders of Auckland International Airport Limited will be held in the Vodafone Events Centre, 770 Great South Road, Manukau, Auckland on Thursday, 20 October 2016 commencing at 10.00am.



## BUSINESS

### A. Chair's Address

### B. Chief Executive's Address

**C. Financial statements and reports:** To receive and consider the financial statements of the Company for the year ended 30 June 2016 together with the directors' and auditor's reports to shareholders.

**D. Resolutions:** To consider, and if thought fit, to pass, the following ordinary resolutions:

- 1. Re-election of Sir Henry van der Heyden:** That Sir Henry van der Heyden, who retires by rotation and who is eligible for re-election, be re-elected as a director of the Company (see explanatory note).
- 2. Re-election of Michelle Guthrie:** That Michelle Guthrie, who retires by rotation and who is eligible for re-election, be re-elected as a director of the Company (see explanatory note).
- 3. Re-election of Christine Spring:** That Christine Spring, who retires by rotation and who is eligible for re-election, be re-elected as a director of the Company (see explanatory note).
- 4. Directors' Remuneration:** That the total quantum of annual directors' fees be increased by \$36,650 from \$1,465,997 to \$1,502,647, such amount to be divided amongst the directors as they deem appropriate (see attached explanatory note and voting exclusion).
- 5. Auditor:** That the directors be authorised to fix the fees and expenses of the auditor.

**E. Other business:** To consider any other matters that may lawfully be considered at the meeting.

By order of the Board:



**SCOTT WEENINK**  
Company Secretary  
20 September 2016

## EXPLANATORY NOTES

**Proxy vote:** A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of the shareholder. The proxy need not be a shareholder. To be effective, the proxy form must be received at the registered office of the company or by the share registrar of the company, Link Market Services Limited, Level 11, Deloitte Centre, 80 Queen Street, Auckland, New Zealand or by mail to P O Box 91976, Auckland 1142, New Zealand not later than 48 hours before the start of the meeting or completed online in accordance with the instructions on the proxy form.

A corporation may appoint a person to attend the meeting as its representative in the same manner as it could appoint a proxy.

You may also appoint your proxy online as per the instructions on the reserve of the proxy.

### Resolutions 1, 2 and 3. Re-election of Directors

Sir Henry van der Heyden, Michelle Guthrie and Christine Spring retire by rotation at the meeting and, all being eligible for re-election, offer themselves for re-election. Brief biographical notes of the directors seeking re-election are as follows:

#### Sir Henry van der Heyden



##### Term of Office

Appointed as a director 4 September 2009  
Last re-election 2013 Annual Meeting

##### Board Committees

Audit & Financial Risk Committee  
People & Capability  
Safety & Operational Risk.

##### Biography

Sir Henry van der Heyden was appointed a director of the Company in 2009 and its chair in 2013.

His goal is to lead and support the growth of strong, internationally competitive and sustainable businesses which contribute to New Zealand Inc and the well-being of its people.

He is chairman of Tainui Group Holdings Limited and chairman of Manuka SA. He is a director of Rabobank New Zealand Limited, Rabobank Australia Limited, Foodstuffs North Island Limited and Pascaro Investments Limited.

Sir Henry graduated from The University of Canterbury with a Bachelor of Engineering degree with Honours and served in dairy industry governance roles for 24 years. He is a past chairman of the New Zealand Dairy Group and was the chairman of Fonterra from 2002 to 2012.

Sir Henry was awarded Chairman of the Year in 2012 and The New Zealand Herald Business Person of the Year in 2007. In 2009, Sir Henry was appointed a Distinguished Companion of the New Zealand Order of Merit.

#### Michelle Guthrie



##### Term of Office

Appointed as a director 24 October 2013  
Last re-election 2013 Annual Meeting

##### Board Committees

People & Capability

##### Biography

Michelle Guthrie was appointed as a director of the Company in October 2013. She is a seasoned media executive with significant experience in the areas of digital marketing, business development, business acquisitions, law and governance. Prior to

her current role as Managing Director of the Australian Broadcasting Corporation, Michelle was an executive at Google Asia International Pacific based in Singapore.

Michelle has considerable international board experience, having sat previously on a number of other boards including Modern Times Group in Sweden, Verisign in the United States of America and numerous Asian media boards.

Michelle lives in Sydney and speaks Mandarin. Her experience and skills broaden the Board's and the company's engagement with new markets, in particular key markets in Asia. Her customer engagement and new media experience serves the airport well as it addresses the challenges and opportunities of the digital era.

### Christine Spring



#### Term of Office

Appointed as a director 23 October 2014

#### Board Committees

Safety & Operational Risk  
People & Capability

#### Biography

Christine Spring was appointed a director of

the Company in 2014.

Christine is a civil engineer and has approximately 20 years' experience in aviation infrastructure development and strategic planning roles in New Zealand, Australia, United Arab Emirates, Asia and the Pacific Islands.

During her career to date, Christine's experience has been focused in strategy, stakeholder management and the planning of significant capital development projects in the aviation industry. Also, she was an executive of Auckland Airport before heading overseas to broaden her experience in 2002.

Christine's experience in aviation infrastructure and executive management is serving Auckland Airport well as it implements its 30-year vision for the airport of the future.

Christine is also a director of Holmes GP Structures Limited, a specialist structural engineering consultancy.

The Board unanimously recommends that shareholders vote in favour of the re-election of Sir Henry van der Heyden, Ms Michelle Guthrie and Ms Christine Spring. All three are considered by the Board to be independent directors.

### Resolution 4. Directors' remuneration.

The amount of fees paid to directors was last increased at the 2015 annual meeting, when shareholders approved a total quantum of annual directors' fees of \$1,465,997.

The directors maintain a share purchase plan pursuant to which the directors each apply 15% of their base fee to acquire shares in the company. First NZ Capital, as manager of the plan, acquires these shares on behalf of the directors over the 20 business days commencing two days after the company's half year and full year results announcements. Directors are required to remain in the plan until one year after their retirement from the Board.

Each year the People & Capability Committee (the "Committee") of the Board reviews the level of directors' remuneration. The Committee considers the skills, performance, experience and level of responsibility of directors when undertaking the review, and is authorised to obtain independent advice on market conditions. After taking external advice, the Committee makes recommendations to the Board on the appropriate allocation of fees to directors and shareholders approve a fee pool for directors at the annual meeting.

The Board is also mindful of clear shareholder feedback that, where directors' fee increases are necessary and justified, they should be linked to company performance and be small regular adjustments rather than large and infrequent.

Taking these factors into account, the Board proposes a modest increase in the directors' fee pool of \$36,650 from \$1,465,997 (an increase of 2.5%), such amount to be divided among directors as they deem appropriate from time to time. Should the resolution be passed, the initial allocation will be as follows:

Office	Current Remuneration	Proposed Remuneration
Chair (inclusive of all committee fees)	\$243,286	\$250,000
Other directors' base fee	\$113,918	\$116,000
Chair of audit and financial risk committee	\$50,779	\$50,779
Member of audit and financial risk committee	\$25,389	\$25,390
Chair of safety and operational risk committee	\$21,218	\$25,000
Member of safety and operational risk committee	\$10,609	\$12,500
Chair of people and capability committee	\$21,218	\$25,000
Member of people and capability committee	\$10,609	\$12,500
Ad hoc committee work (per day)	\$2,650	\$2,650

This proposal provides for a full complement of eight directors (the maximum permitted pursuant to the company's constitution). Remuneration for ad hoc committee work will only be paid for specific identified assignment where approved in advance by the Board.

The Company will disregard any votes cast on this resolution by:

- any director of the Company; and
- an Associated Person (as defined in the NZSX Listing Rules) or an Associate (as defined in section 11 and sections 12 and 16 of the Corporations Act (Australia) with section 12 being applied as if it were not confined to associate references in chapter 6 of that Act and on the basis that the Company is the "designated body" for the purpose of that section, and includes a related party of a director of the company) of any directors of the Company.

However the Company need not disregard a vote if it is cast by:

- (a) such person as proxy for a person who is not disqualified from voting on this resolution, in accordance with the express instructions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Resolution 5. Auditors

Deloitte is automatically reappointed auditor under section 200 of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

**ANNEXURE A****COMPANIES ACT DISCLOSURE DOCUMENT RELATING TO THE GIVING OF FINANCIAL ASSISTANCE BY THE COMPANY FOR THE PURCHASE OF SHARES UNDER THE****AUCKLAND INTERNATIONAL AIRPORT EMPLOYEE SHARE PURCHASE PLAN****TO: ALL SHAREHOLDERS OF THE COMPANY****INTRODUCTION**

1. This document is provided to you for your information. You are not required to take any action in relation to it.
2. This document is provided to all shareholders of Auckland International Airport Limited (the **Company**) in accordance with the requirements of sections 78(5) and 79 of the Companies Act 1993, in respect of financial assistance to be provided by the Company for the purposes of a further invitation to employees of the Company to participate in the Company's Employee Share Purchase Plan (the **ESS Plan**).

**FINANCIAL ASSISTANCE**

3. The Company established the ESS Plan by a trust deed dated 19 November 1999 to enable employees to acquire fully paid ordinary shares in the Company.
4. The ESS Plan involves the Company making interest free loans to employees to fund the acquisition of shares in the Company, to be issued by the Company to the Trustees of the ESS Plan on behalf of participating employees. Those loans will be on an interest free basis and will be for a term of three years. The loans will be repaid by employees in regular instalments over this three year term by way of a deduction from their salary or wages.
5. The maximum amount of the loans made to each employee will not exceed \$2,340 in any rolling three year period. If all eligible employees took up the maximum loan available to them in the first year, the aggregate amount of loans made (on the basis of the number of eligible employees of the Company as at the date of this disclosure document) would not exceed \$420,000.
6. The making of those loans constitutes the giving of financial assistance for the purpose of, or in connection with, the purchase of a share issued or to be issued by the Company in terms of section 76(6) of the Companies Act 1993.

**RESOLUTION**

7. Set out below is the text of the resolution of the Board of the Company required by section 78(1) of the Companies Act 1993, passed on 29 August 2016:

**"Noted:**

- A. *Auckland International Airport Limited (the **Company**) established the Auckland International Airport Limited Share Purchase Plan (the **Plan**) by a trust deed dated 19 November 1999 (the **Trust Deed**) to enable employees to acquire fully paid ordinary shares in the Company.*
- B. *The Plan involves the Company making interest free loans to employees to fund the acquisition of shares in the Company, to be issued by the Company to the Trustees of the Plan on behalf of participating employees.*
- C. *The making of those loans constitutes the giving of financial assistance for the purpose of, or in connection with, the purchase of a share issued or to be issued by the Company in terms of section 76 of the Companies Act 1993 (the **Act**).*
- D. *The Board has been provided with copies of the Plan, the invitation from the Company to be made pursuant to the Trust Deed, and the form of directors' certificates to be given by the directors in respect of the issue of shares, the financial assistance and satisfaction of the solvency test.*
- E. *The Board has also been provided with a copy of the disclosure document that is required to be sent to each shareholder before the provision of the financial assistance under section 76(1)(b) of the Act.*

**Resolved:****Financial assistance**

1. *The Company provide to its employees financial assistance of up to a total of \$420,000 by way of loans made in accordance with the Plan.*
2. *The giving of the financial assistance is in the best interests of the Company.*
3. *The terms and conditions under which the financial assistance is given are fair and reasonable to the Company.*
4. *The Board is satisfied that the Company will, immediately after the giving of the financial assistance, satisfy the solvency test (as defined in the Act).*
5. *The giving of the financial assistance is of benefit to those shareholders of the Company not receiving the financial assistance.*
6. *The terms and conditions under which the financial assistance is given are fair and reasonable to those shareholders not receiving the financial assistance.*
7. *The Board may cancel this resolution to give the financial assistance at any time until the time it is provided by the Company and if it does so the financial assistance shall not be provided by the Company.*

**Grounds for directors' conclusions:**

1. *The grounds for the directors' conclusions are as follows:*
  - (a) *The purpose of the Plan is to encourage and incentivise employees by providing them with a stake in the Company and a financial interest in the performance and success of the Company.*
  - (b) *That is in the best interests of the Company and of benefit to its shareholders as a whole.*
  - (c) *The terms of loans made under the Plan are those stipulated by the Income Tax Act 2007. Having regard to the advantages of the Plan to the Company and its shareholders those terms are fair and reasonable to the Company and its shareholders.*
  - (d) *The interim Financial Statements of the Group dated 19 February 2016 record that the assets of the Group exceed its liabilities (including contingent liabilities) by approximately \$3,070 million. The draft annual Financial Statements of the Company record that the assets of the Company exceeded its liabilities (including contingent liabilities) by approximately \$3,880.7 million as at 30 June 2016.*
  - (e) *The amount of the financial assistance to be given under the Plan, if all employees took up their maximum entitlement, will not exceed \$420,000.*
  - (f) *The Company is able to pay its debts as they become due in the normal course of business, and will remain able to do so after the giving of the assistance.*
  - (g) *The directors are not aware of any circumstances which could materially and adversely affect the conclusions recorded above."*

**SHAREHOLDER RIGHTS**

8. Section 78(7) of the Companies Act 1993 confers on shareholders and the Company certain rights to apply to the Court to restrain the proposed assistance being given.
9. The financial assistance may be given by the Company not less than 10 working days and not more than 12 months after this disclosure document has been sent to each shareholder.

**ANNEXURE B****COMPANIES ACT DISCLOSURE DOCUMENT RELATING TO THE GIVING OF FINANCIAL ASSISTANCE BY THE COMPANY FOR THE PURCHASE OF SHARES UNDER THE****AUCKLAND INTERNATIONAL AIRPORT EXECUTIVE LONG TERM INCENTIVE PLAN****TO: ALL SHAREHOLDERS OF THE COMPANY****INTRODUCTION**

1. This document is provided to you for your information. You are not required to take any action in relation to it.
2. This document is provided to all shareholders of Auckland International Airport Limited (the **Company**) in accordance with the requirements of sections 78(5) and 79 of the Companies Act 1993, in respect of financial assistance to be provided by the Company for the purposes of shares to be issued under the Company's Executive Long Term Incentive Plan (the **LTI Plan**).
3. The Company intends to offer grants to senior executives under the LTI Plan. The Board considers that the LTI Plan will attract and retain key executives, aligning the interests of management with those of shareholders and providing executives incentives and rewards reflecting the performance and success of the Company.
4. Under the LTI Plan:
  - (a) participants will receive an interest free loan from the Company for the purposes of acquiring shares under the LTI Plan;
  - (b) shares will not vest under the LTI Plan until the relevant participation has satisfied certain performance hurdles set by the Board at the time of offer of shares under the LTI Plan to the relevant participant; and
  - (c) until such time as a participant's shares vest and the participant has repaid in full the loan for those shares, the participant's shares will be held on trust by the trustee of the LTI Plan.

**FINANCIAL ASSISTANCE**

5. The Company will provide interest free loans of \$1,000,000 in the aggregate to the participants in the LTI Plan and to the trustee in connection with the acquisition of ordinary shares in the Company under the rules of the LTI Plan. This will constitute the giving of "financial assistance" for the purposes of the Companies Act 1993.
6. The making of those loans constitutes the giving of financial assistance for the purpose of, or in connection with, the purchase of a share issued or to be issued by the Company in terms of section 76(6) of the Companies Act 1993.

**RESOLUTION**

7. Set out below is the text of the resolution of the Board of the Company required by section 78(1) of the Companies Act 1993, passed on 29 August 2016:

**"RESOLVED:**

1. *That the offer of grants under the LTIP is approved and that any two directors of the Company are authorised to enter into the Trustee Loan and any other document necessary or desirable to give effect to the LTIP on behalf of the Company.*
2. *That the form of LTIP Letter is approved and the Chief Executive is authorised to issue that document to participants in the LTIP on behalf of the Company.*
3. *That the Company offer and, subject to receipt of a duly completed acceptance form, issue shares to the participants pursuant to the LTIP:*
  - (a) *on the terms and conditions set out in the Plan Rules;*
  - (b) *on the basis set out next to their respective names in background paragraph 2 above (or such lesser number of shares as the relevant participant may subscribe for);*

- (c) *at an issue price equal to the volume weighted average price of the Company's shares on the NZX Main Board for the 10 trading days period prior to the date of issue;*
  - (d) *on or about 23 October 2016; and*
  - (e) *with such performance hurdles and vesting dates as may be determined by the board for each participant and set out in that participant's LTIP Letter.*
4. *In connection with the issue by the Company of the shares, that:*
- (a) *in the opinion of the board, the consideration for, and terms of, the issue are fair and reasonable to the Company and to all existing shareholders; and*
  - (b) *entry as to the ownership of the shares be made in the Company's share register, and notice of issue be delivered for registration, as required by section 43 of the Companies Act 1993.*
5. *That the Company provide interest free loans of \$1,000,000 in the aggregate to the initial participants in the LTIP and to the Trustee (as noted in background paragraph 2 above) in connection with the acquisition of ordinary shares in the Company under the rules of the LTIP ("Financial Assistance").*
6. *That the giving by the Company of the Financial Assistance is in the best interests of the Company.*
7. *That the terms and conditions under which the Financial Assistance is to be given are fair and reasonable to the Company.*
8. *That giving the Financial Assistance is of benefit to those shareholders not receiving the Financial Assistance.*
9. *That the terms and conditions under which the Financial Assistance is to be given are fair and reasonable to those shareholders not receiving the Financial Assistance.*
10. *That the Board is satisfied on reasonable grounds that the Company will, immediately after the provision of the Financial Assistance, satisfy the solvency test set out in section 4 of the Companies Act 1993.*
- (b) *the management accounts of the Company for the period to 31 July 2016;*
  - (c) *the Company's cash balance as at 31 July 2016;*
  - (d) *the existing headroom under the Company's undrawn but committed bank facilities; and*
  - (e) *all circumstances of which we are aware that affect, or may affect, the value of the Company's assets and liabilities (including contingent liabilities).*

## SHAREHOLDER RIGHTS

- 8. Section 78(7) of the Companies Act 1993 confers on shareholders and the Company certain rights to apply to the Court to restrain the proposed assistance being given.
- 9. The financial assistance may be given by the Company not less than 10 working days and not more than 12 months after this disclosure document has been sent to each shareholder.

## GROUNDS FOR THE DIRECTORS' CONCLUSIONS:

The grounds for the directors' conclusions are:

- 1. *The giving of the Financial Assistance and other benefits to be provided to the participants in the LTIP and to the trustee to provide flexibility for future participation in the LTIP (as noted in background paragraph 2 above) is comparable to other plans established by significant listed companies, including the Company's industry peers and will benefit the Company and its shareholders by attracting and retaining key executives, aligning the interests of management with those of shareholders and providing executives incentives and rewards reflecting the performance and success of the Company.*
- 2. *We believe, after considering the following matters, that immediately after payment of the proposed Financial Assistance, the Company will be able to pay its debts as they become due in the normal course of business, and the value of the Company's assets will be greater than the value of its liabilities (including contingent liabilities):*
  - (a) *the most recent audited financial statements of the Company for the year ended 30 June 2016 that comply with the Financial Reporting Act 2013;*

### ANNUAL MEETING LOCATION



Vodafone Events Centre,  
770 Great South Road,  
Manukau, Auckland



Thursday, 20 October 2016  
commencing at 10.00am.

