

AUCKLAND INTERNATIONAL AIRPORT LIMITED

Notice of Annual Meeting

Notice is hereby given that the 2019 annual meeting of the shareholders of Auckland International Airport Limited will be held in the Ellerslie Event Centre, 80 Ascot Ave, Remuera, Auckland, or online at www.virtualmeeting.co.nz/aia19 on Wednesday, 23 October 2019 commencing at 10.00 am.

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 2019 together with the directors' and auditor's reports to shareholders.

D. Ordinary Resolutions: To consider, and if thought fit, to pass, the following ordinary resolutions (which require the approval of a simple majority of the votes of those shareholders entitled to vote and voting on the resolution):

- 1. Re-election of Christine Spring:** That Christine Spring, who retires and who is eligible for re-election, be re-elected as a director of the Company (see explanatory note).
- 2. Election of Elizabeth Savage:** That Elizabeth Savage, who has been nominated by the Board to stand as a director, be elected as a director of the Company (see explanatory note).
- 3. Directors' Remuneration:** That the total quantum of annual directors' fees be increased by \$26,630 from \$1,566,720 to \$1,593,350, such amount to be divided amongst the directors as they deem appropriate, (see attached explanatory note and voting exclusion).
- 4. Auditor:** That the directors be authorised to fix the fees and expenses of the auditor.

E. Special Resolution: To consider, and if thought fit, to pass, the following special resolution (which requires the approval of a majority of 75% of the votes of those shareholders entitled to vote and voting on the resolution):

- 1. Amendment to Constitution:** That the Company amend its existing Constitution, in the form tabled at the meeting and signed by the chairperson for the purpose of identification, with effect from the close of the annual meeting of the Company.

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

By order of the Board.



Mary-Liz Tuck, General Counsel

25 September 2019

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. The Chair of the meeting is willing to act as proxy for any shareholder who wishes to appoint him for that purpose. If you appoint the Chair and you do not indicate how the Chair should vote, the Chair will vote in favour of the resolutions, unless the Chair is specifically excluded from voting on a particular resolution.

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, email or fax not later than 48 hours before the start of the meeting in accordance with the instructions on the proxy form.

A corporate shareholder 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 proxy form.

Shareholder motions: The only matters being discussed and voted on at the Meeting are the Resolutions contained in this Notice of Meeting. No motions will be allowed from the floor.

Ordinary Resolutions 1. Re-election of Director

Brett Godfrey and Christine Spring are the directors retiring in 2019. Christine Spring, being eligible for re-election, offers herself for re-election. Brett Godfrey comes to the end of his tenure on the board of directors this year and will be retiring from the Board at the end of the meeting.

A brief biographical note of Christine Spring seeking re-election is as follows:

Christine Spring



Term of Office

Appointed as a director 23 October 2014
Last re-election 2016 Annual Meeting

Board Committees

Audit and Financial Risk Committee
Safety and Operational Risk Committee
(Chair)
Infrastructure Development Committee

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 Western Sydney Airport Limited, Unison Networks Limited, Unison Contracting Services Limited and Isthmus Group Limited.

The Board unanimously recommends that shareholders vote in favour of the re-election of Christine Spring. She is considered by the Board to be an independent director.

Ordinary Resolution 2. Election of a Director

A brief biographical note of Elizabeth Savage, seeking election is as follows:

Elizabeth Savage



Biography

Elizabeth (Liz) has extensive experience in the airline, travel & tourism sectors and brings a deep understanding of the airline business to the Board.

Her 20-year career in senior leadership roles in Australia and Europe, includes being Chief Commercial Officer of Virgin Australia during the successful early stage transformation of the airline and Business Development Director of easyJet during the airline's first ten years of rapid growth.

Liz is currently a director of Intrepid Travel Group, North Queensland Airports and People Infrastructure. She is also a board member of Brisbane Marketing and Triathlon Australia. Previous directorships include Mantra Group and Swissport ANZ.

Through her roles, Liz brings particular focus on customer strategy, marketing and sustainable growth. Liz qualified as an Aeronautical Engineer, with a master's degree in Air Transport Management.

The Board unanimously recommends that shareholders vote in favour of the election of Liz Savage. She is considered by the Board to be an independent director.

Ordinary Resolution 3. Directors' remuneration

The amount of fees paid to directors was last increased at the 2018 annual meeting, when shareholders approved a total quantum of annual directors' fees of \$1,566,720.

Each year the People and Capability 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. 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 \$26,630 from \$1,566,720 to

\$1,593,350 (an increase of 1.7% which reflects consumer price index (CPI) inflation for New Zealand for the 2019 year), 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)	\$256,000	\$260,350
Other directors' base fee	\$121,160	\$123,250
Chair of audit and financial risk committee	\$50,779	\$51,600
Member of audit and financial risk committee	\$25,390	\$25,800
Chair of safety and operational risk committee	\$27,136	\$27,600
Member of safety and operational risk committee	\$13,570	\$13,800
Chair of infrastructure development committee	\$27,136	\$27,600
Member of infrastructure development committee	\$13,570	\$13,800
Chair of people and capability committee	\$27,136	\$27,600
Member of people and capability committee	\$13,570	\$13,800
Ad hoc committee work (per day)	\$2,650	\$2,700

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 assignments 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 NZX Main Board 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 director of the Company.

However, the Company need not disregard a vote if it is cast by a disqualified person if that person is a proxy for a person who is entitled to vote on this resolution in accordance with the express instructions on the proxy form.

Ordinary Resolution 4. Auditors

Deloitte is automatically reappointed auditor under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor as required by section 207S of the Companies Act 1993.

Special Resolution 1. Amendment to Constitution

The former NZX Main Board & Debt Market Listing Rules (dated 1 October 2017) have been replaced by updated NZX Listing Rules (dated 1 January 2019) ("New Listing Rules"). The Company transitioned to the New Listing Rules on 1 July 2019. A small number of amendments are required to be made to the existing constitution of the Company ("Constitution") to ensure that it meets the requirements of, and is consistent with, the New Listing Rules. It is also proposed to update the Constitution for consistency with legislation, allow for electronic voting and to make consequential amendments.

The principal amendments to the existing Company Constitution that have been proposed for the purposes of alignment with the Listing Rules can be summarised as follows:

- **Director rotation:** the provision relating to the exemption for one executive director from the obligation to retire has been removed. The effect of this removal is that all directors must not hold office without re-election past the third annual meeting following the director's appointment or three years, whichever is longer.
- **Restriction on appointment of directors:** the Constitution has been amended to reflect that each resolution to appoint, elect or re-elect a director must be for one director only as required under new Listing Rule 2.3.3.

The following amendments are also proposed:

- removing all references to facsimile communication;
- updating references and provisions for consistency with legislative changes;
- updating wording for clarification and for consistency with the New Listing Rules;
- allowing for electronic means of voting at shareholder meetings, to allow Shareholders to vote by signifying their assent or dissent by electronic means, including voting on a personal computer, to reflect the alignment of the Listing Rules with legislation permitting annual meetings to be held by electronic means;
- amendment to the rules around proxies for consistency with the New Listing Rules, including to provide that a notice of meeting may provide for different matters for different kinds of proxies;
- amendment to the interests of directors section to reflect the New Listing Rules under which interested directors may not vote on a Board resolution, except for matters in which directors are expressly required to sign a certificate under the Companies Act;
- updates to state that the composition of the board of directors will comply with the composition requirements of the Listing Rules; and
- any consequential alterations, for example, in respect of numbering.

Pursuant to the Companies Act 1993, the proposed amendments must be approved by a special resolution of shareholders. As the amendments to the Constitution do not impose or remove a restriction on the activities of the Company or affect the rights attaching to shares, the shareholder minority buy-out rights under the Companies Act 1993 do not apply.

Russell McVeagh has provided an opinion to NZX that it considers that these amendments comply with the New Listing Rules.

A mark-up of the Constitution setting out all of the proposed amendments can be viewed at <https://corporate.aucklandairport.co.nz/about/corporate-governance>. A copy of the mark-up of the Constitution will also be available at the Annual Meeting.

Voting

Attending the Meeting

Shareholders attending the Annual Meeting can vote electronically by using the LinkVote App. To vote electronically, a shareholder must download the LinkVote App on the Apple App Store or Google Play Store to vote at the meeting using your mobile phone. Alternately, a poll card will be provided at registration for voting purposes.

Other participation methods

This year, Auckland International Airport will enable shareholders to attend and participate in the Annual Meeting without being physically present at the meeting, by attending the meeting online.

Online participation

To participate online please go to www.virtualmeeting.co.nz/aia19. Shareholders participating online will be able to ask questions during the meeting via the chat function. Information on participating via this function can be retrieved during the meeting through the 'Question' button. Please note, if you will be participating online you will require your shareholder number, found on your proxy form, for verification purposes.

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 (as amended by a deed of amendment and restatement to the Trust Deed dated 31 October 2018) 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. The shares will be allocated to employees from surplus shares held by the trustees of the ESS Plan. The 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 \$5,000 in any year. 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 \$2.39 million.
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 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 21 August 2019:

“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 (as amended by a deed of amendment and restatement of the trust deed dated 31 October 2018) (the **Trust Deed**) to enable employees to acquire fully paid ordinary shares in the Company. The Plan was established as an “employee share purchase plan” within the meaning of section DF 7 of the Income Tax Act 1994, which later became sections DC 12 to DC 14 of the Income Tax Act 2007 (now repealed).*
- B. *The Plan involves the Company making interest free loans to employees to fund the acquisition of shares in the Company. The shares will be allocated to employees firstly from surplus shares held by the trustees of the Plan (the **Trustees**) under clause 6.1 of the Trust Deed (**Surplus Shares**). To the extent that the number of Surplus Shares being allocated is not sufficient to meet the uptake of offers by participating employees, the Company will issue new shares to the Trustees 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 Trust Deed, 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 \$2.39 million 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 for those types of plans. 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 22 February 2019 record that the assets of the Group exceed its liabilities (including contingent liabilities) by approximately \$5,716.6 Million. The draft annual Financial Statements of the Company record that the assets of the Company exceeded its liabilities (including contingent liabilities) by \$6,032.9 Million as at 30 June 2019.*
 - (e) *The amount of the financial assistance to be given under the Plan, if all employees took up their maximum entitlement, will not exceed \$2.39 Million.*
 - (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.



