

# Notice of annual meeting 2010

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Auckland International Airport Limited

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Notice is hereby given that the 2010 annual meeting of the shareholders of Auckland International Airport Limited will be held in the:

**Genesis Theatre**

TelstraClear Pacific Events Centre  
770–834 Great South Road  
Manukau City  
New Zealand

Thursday, 28 October 2010  
commencing at 10.30am

**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 16, Brookfields House, 19 Victoria Street, Auckland, New Zealand, or by mail to PO Box 91976, Auckland 1142, New Zealand, not later than 48 hours before the start of the meeting.

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

# Business

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**A** Chairman's address

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**B** Chief executive's review

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**C** **Financial statements and reports:** To receive and consider the financial statements of the company for the year ended 30 June 2010 together with the directors' and auditor's reports to shareholders.

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

**1. Re-election of Lloyd Morrison:** That Lloyd Morrison, who retires by rotation and is eligible for re-election, be re-elected as a director of the company (see attached explanatory note).

**2. Re-election of Joan Withers:** That Joan Withers, who retires by rotation and is eligible for re-election, be re-elected as a director of the company (see attached explanatory note).

**3. Election of Brett Godfrey:** That Brett Godfrey, who is eligible for election, be elected as a director of the company (see attached explanatory note).

**4. Auditor:** That the directors be authorised to fix the fees and expenses of the auditor.

**5. Directors' remuneration:** That the total quantum of annual directors' fees be increased by \$140,000 from \$1,150,000 to \$1,290,000, such amount to be divided amongst the directors as they deem appropriate (see attached explanatory note and voting exclusion).

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**E** **Other business:** To consider any other matter that may lawfully be considered at the meeting.  
By order of the board:



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**C F Spillane**  
Corporate secretary  
29 September 2010

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## Re-election of directors

Lloyd Morrison and Joan Withers retire by rotation at the meeting and, both being eligible for re-election, offer themselves for re-election. Anthony Frankham retires by rotation but does not seek re-election. Brief biographical notes provided to the company by the directors seeking re-election are as follows:

### **Joan Withers MBA, AFinStD**

Joan was appointed a director of the company in 1997. She has spent over 25 years working in the media industry holding CEO positions in both newspapers and radio, and has been a professional director for 11 years. In July 2005, Joan became chief executive officer of Fairfax New Zealand Limited, New Zealand's largest media company, a role from which she retired on 30 June 2009. Joan is also chair of Mighty River Power Limited, deputy chair of TVNZ Limited, and a trustee of The Tindall Foundation and Sweet Louise.

The board unanimously recommends that shareholders vote in favour of Joan's re-election. She is considered by the board to be an independent director.

### **Hugh Richmond Lloyd Morrison LLB (Hons), CNZM**

Lloyd was appointed a director of the company in November 2007. He is one of New Zealand's most experienced infrastructure investors and managers. He founded NZX-listed Infratil in 1994 to invest in infrastructure in New Zealand and internationally. Infratil has been one of the NZX's top-performing companies since its formation and today owns businesses in the airport, renewable generation, energy retailing, downstream oil and public transport sectors. Lloyd is an executive director of Infratil, chairman of HRL Morrison & Co which, in addition to Infratil, manages infrastructure investments for the New Zealand Superannuation Fund and other pension funds, chairman of Infratil Airports Europe and a director of TrustPower and Fisher Funds. In respect of airport companies, he has board experience with airport companies in New Zealand, Australia, USA, UK and Continental Europe.

The board unanimously recommends that shareholders vote in favour of Lloyd's re-election. He is not considered by the board to be an independent director due to his role as chairman of HRL Morrison & Co which is the manager of the New Zealand Superannuation Fund's investment in Auckland Airport and therefore a substantial security holder.

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## Election of director

Brett Godfrey, being eligible for election, has been nominated for election by the board. Brief biographical notes provided to the company by Brett are as follows:

### **Brett Godfrey**

Brett Godfrey has had a 20 year career in aviation, initially holding finance positions in small airlines, then moving to flag carriers and culminating in establishing and leading the Virgin Blue Airlines Group.

Brett conceptualised, established and led Virgin Blue, Australia's second largest airline, as Chief Executive for its first 10 years. Under Brett's leadership, Virgin Blue successfully navigated through such hazards as 9/11, the Bali bombings and more recently the GFC. Now, in the year of his stepping down, the Group employs 6,000 people, operates four airlines, including new long haul premium carrier V Australia, all up carrying 20,000,000 'guests' per annum. Brett and his team have changed the face of aviation in Virgin Blue's region and in so doing made air travel accessible to a great many more people.

Brett has been awarded the Australian Centenary Medal for his service to Tourism and Aviation, was recognised as the Australian Chief Executive of the Year by the Institute Of Customer Service, and the Outstanding Chartered Accountant in Business, by the Australian Institute of Chartered Accountants.

Brett retired from Virgin Blue in May this year to refocus on his private interests. He remains engaged with board commitments with Westjet (Canada's 2nd largest airline), Tourism Australia, The Queensland Government's transport board, Translink and Green Cross Australia.

The board unanimously recommends that shareholders vote in favour of Mr Godfrey's election. He is considered by the board to be an independent director.

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## Auditor

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

## Directors' remuneration

The amount of fees paid to directors was last increased at the 2007 annual meeting, when shareholders approved a total quantum of annual directors' fees of \$1,150,000.

That approved sum was allocated by the directors as follows:

Chairman (inclusive of all committee fees)	\$180,000
Deputy chairman	\$105,000
Other directors' base fee	\$90,000
Chair of audit and risk committee	\$30,000
Member of audit and risk committee	\$15,000
Chair of remuneration committee	\$16,000
Member of remuneration committee	\$8,000
Chair of nominations committee	\$9,000
Member of nominations committee	\$4,500
Ad hoc committee work (per day)	\$2,500

The board's policy is to regularly seek independent advice on the appropriate level of directors' remuneration. This year the board has obtained advice from two remuneration specialists, Hay Consultants and Spencer Stuart. In undertaking their respective reviews, Hay and Spencer Stuart have considered the skills, performance, experience and level of responsibility of the directors, and the market conditions currently prevailing. Hay and Spencer Stuart have provided the board with guidance in respect of the level of fees which is appropriate for directors of companies of a comparable scale and complexity in New Zealand. The comparable companies reflect the level of governance, and consequently time commitment, required of directors pursuant to national and international standards.

The market data received from both Hay and Spencer Stuart shows that, over the three years since 2007 an aggregate upward movement of between 25.0 percent and 39.0 percent could be justified. Spencer Stuart has recommended that base fees for non-executive directors of Auckland Airport be set at \$125,000, that the chair's fees be set at \$250,000 and for committee fees to be paid to non-executive directors (other than the chairman) who are committee members or chairs.

The board proposes an increase of approximately 12.2 percent, well below that of the remuneration specialists' recommendations. Directors now recommend to shareholders an increase in the total quantum of annual directors' fees of \$140,000 from \$1,150,000 to \$1,290,000, such amount to be divided among directors as they deem appropriate from time to time. 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 be paid only for specific identified assignments where approved in advance by the board.

In the event that this resolution is approved, the directors have decided that they will each use 15.0 percent of the base fees actually payable to them to acquire shares in the company. In order to do this, the directors are investigating entry into a share purchase plan agreement and appointment of an independent party to be the manager of the plan. The manager of the plan will acquire the shares required for the purposes of the plan on behalf of directors over the 20 business days commencing two days after the company's half-year and full-year results announcements. Directors will remain in the plan until one year after retirement from the board.

### **Voting exclusions**

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 13 to 17 of the Corporations Act (Australia) with section 13 being applied as if it were not confined to associate references in chapter 7 of that Act) of any director 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.

