

## **Appointment as Non-executive Director – Auckland International Airport Limited**

Following our recent discussions, I am very pleased to confirm my invitation to you to join the Board of Auckland International Airport Limited (**Auckland Airport**) as a Non-executive Director.

### **1. Term of Appointment and Vacation of Office**

Subject to receipt of your consent to act as a Director of Auckland Airport, you will hold office until the next Annual Meeting of Auckland Airport, which is scheduled for [            ]. You will be eligible for election as a Director at that meeting and, if elected, will be subject to retirement by rotation under Auckland Airport's Constitution.

The first Board meeting which you will be required to attend is on [            ].

At any time during your tenure, including when you become subject to re-election under Auckland Airport's Constitution or the law, your performance as a Director may be reviewed in accordance with processes agreed by the Board from time to time. An appropriate recommendation as to your re-appointment may be made in Notices of Meeting or other material provided to shareholders. You agree to participate in such reviews.

You may cease to hold office as a Director:

- at any time that you resign by written notice. It is desirable that you give the Chairman reasonable forewarning of any intention to resign or to not seek re-election where that is possible so that Auckland Airport can plan for succession of skills and experience on the Board;
- in accordance with the law or the Constitution of Auckland Airport. Currently, clause 26.8 deals with this issue, but the shareholders in general meeting are able to change this.

This letter refers only to your appointment as a Non-executive Director. From time to time the Board may request you to participate in one or more Board Committees, participation is subject to your agreement.



## 2. Role

The management and control of the business of Auckland Airport is vested in the Board by statute. The Board reserves for its own decision the adoption of the strategic direction of Auckland Airport, the appointment of the Chief Executive and his direct reports, approval of Financial Statements, approval of the Business Plan and the Budget, approval of financial policies, review of operating results, risk management strategy, ensuring the effectiveness of governance practices, succession planning and significant capital expenditure. The Board has delegated responsibility for the management of Auckland Airport through the Chief Executive to his direct reports.

As a Non-executive Director of Auckland Airport, you will be expected to participate as a member of the Board in:

- constructively challenging and helping to develop proposals on strategy of Auckland Airport;
- setting values and standards for Auckland Airport and establishing systems for their communication and monitoring;
- monitoring the performance of Management in achieving agreed goals and objectives and ensuring that the necessary financial and human resources are in place to enable Auckland Airport to meet those goals and objectives;
- satisfying yourself as to the adequacy and integrity of financial and other reporting to the Board and shareholders and that there are adequate systems of internal control; and
- satisfying yourself that systems for identification and management of risks are robust and appropriate.

## 3. Time Commitments

I anticipate that your duties as a Non-executive Director of Auckland Airport will involve a commitment of at least 18 days in each year. Currently that would typically comprise attendance at:

- eight scheduled Board meetings;
- appropriate preparation time ahead of such meetings;
- the Annual Meeting;
- site visits; and
- Board Committee meetings which occur at times other than those days set aside for Board meetings. If you are appointed as a Chairman of any Committee, you may expect a further call on your time to fulfill that role.

In addition, you will be expected to attend such ad hoc meetings as may be necessary.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet these expectations. Absence from any meeting must be approved by the Chairman

You should consult with the Chairman before you accept any additional material commitments, including other directorships, which may conflict with, or impact on, the time you are able to devote to your role as a Non-executive Director of Auckland Airport. Your appropriate commitment of time to the affairs of Auckland Airport will be one of the issues addressed in performance reviews.



#### **4. Independence and Other Interests**

I **enclose** a copy of the Independent Directors Standards adopted by the Board to assess the independence of Directors of Auckland Airport. You have confirmed to me that you regard yourself as an Independent Director within the framework of those guidelines. The Board will determine its view at the meeting at which your candidacy is considered.

If your circumstances change in any way which may affect your status as an Independent Director, you must immediately disclose this to the Board.

Auckland Airport accepts that you will have business interests other than those of Auckland Airport. You have given us a declaration of interest which will be tabled at the Board meeting to consider your candidacy.

Disclosure of interests is a continuing obligation. If your circumstances change and you acquire any office or property which may conflict with your office as a Director of Auckland Airport or the interest of Auckland Airport, then you must disclose its character and extent at the next meeting of Directors. This should be done in writing. You may wish to consult with the Chairman or the Corporate Secretary as soon as you become aware of any potential conflict.

You should be aware that under the law and the Constitution, you will not be entitled to vote on any matter on which you have a material personal interest unless the relevant resolution is one in respect of which all directors are required to sign a certificate or it relates to the granting of an indemnity under section 162 of the Companies Act. Any material interests are required to be disclosed in the Annual Report and the accounts.

#### **5. Remuneration and Expenses**

Each Non-executive Director is paid a base fee which is currently \$[ ] per annum. Fees are payable quarterly in arrears and will be deposited into your bank account, details of which you have provided to us. If your fee is subject to GST it will only be paid upon presentation of a valid GST tax invoice.

These amounts or the nature of the benefit may be changed by the shareholders or the Board. You will not be entitled to a retirement allowance.

You are entitled to be paid other expenses you properly incur concerning Auckland Airport's affairs upon presenting a properly documented and supported expense claim form, which the Corporate Secretary will provide to you. Except for expenses associated with travelling, you should obtain the approval of the Chairman to the expense before you incur it.

#### **6. Induction**

An induction programme will be arranged for you that includes:

- meetings with the Chief Executive;
- one-on-one meetings with key members of Management; and
- visits to the Airport.

You have also received an induction pack of information concerning Auckland Airport. You should feel free to request any further information which you require either from me, or from the Corporate Secretary, at any time.



## **7. Continuous Improvement and Directors' Appraisal**

The Board believes that progressive organisations appreciate the challenge of operating in today's business environment.

You agree that you will participate in:

- continuous improvement programmes from time to time determined by the Board as being appropriate for Directors, at the expense of Auckland Airport, whether or not those programmes are offered by Auckland Airport; and
- participate in processes of internal and external review of Director, Board and Committee performance as may be determined to be appropriate by the Board from time to time. You acknowledge that such processes may result in positive or negative recommendations in relation to your candidacy for re-appointment to the Board.

If there are any issues which cause you concern about the Board or your individual performance or the performance of any Committee, you should feel free to raise it with the Chairman at any time.

## **8. Indemnity, Insurance and Access to Company Documents**

The Corporate Secretary will provide you with a copy of the expiring Directors' and Officers' insurance policy. No changes are expected to the terms of this policy on renewal. The Directors' and officers' insurance policy will be extended to you from the date of your appointment.

I also **enclose** a copy of the Directors' Deed of Access, Indemnity and Insurance. By agreeing to be appointed as a Director you agree to be bound by the terms of the Deed of Access, Indemnity and Insurance.

## **9. Independent Advice**

With the approval of the Chairman, you may seek independent professional advice, at the expense of Auckland Airport, on any matter connected with the discharge of your responsibilities. Copies of this advice must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees.

## **10. Constitution, Charters and Policies**

Auckland Airport has developed a Constitution and a range of charters and policies which govern conduct of the Directors and employees and set out the processes, values and standards of Auckland Airport in dealing with all stakeholders. These are available on the company's website. You should familiarise yourself with them. The Corporate Secretary can also provide you with copies should you require that. You acknowledge that your conformity with these Constitution, charters and policies will be an element in any assessment of your performance as a Director of Auckland Airport.

## **11. Notification of Personal Interests**

Under the Listing Rules of the New Zealand Exchange and Australian Stock Exchange, Auckland Airport may be required to provide information about you to those Stock Exchanges. Filings concerning you must also be made with various Government authorities.

Please note that, under current policies, you are required to obtain the consent of the Chairman before dealing in securities of Auckland Airport. You must not, in any circumstances, dealing in



securities of the company while you possess “inside information” as defined in the Securities Markets Act 1988 or “Material Information” as defined in the New Zealand Exchange Limited Listing Rules.

You also agree that you will provide to the Corporate Secretary promptly (and within required timeframes for filing that information) all information about you which may be required for this purpose, including (without limitation):

- details of your name, address (including any change of address), date and place of birth; and
- details of dealings by you, your spouse and minor children and entities associated with you or any of them, in securities issued by Auckland Airport.

**12. Corporate Secretary**

The Corporate Secretary and General Counsel of Auckland Airport is Mr Charles Spillane. All Directors have access to his advice and services.

**13. Confidentiality**

All information obtained during your appointment is confidential to Auckland Airport and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman, or as required by law.

I also draw your attention to both legislation and Auckland Airport policy prohibiting disclosure or use of price-sensitive information.

**14. Announcement of Your Appointment**

I will seek your clearance of an announcement to the NZX, ASX and the media of your appointment to the Board. This announcement will be made as soon as the Board has resolved to appoint you as a Director.

We look forward to welcoming you to our Board.

Yours sincerely

**Anthony Frankham**  
Chairman

I, \_\_\_\_\_, hereby accept the terms of appointment set out in this letter.

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Signature

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Date