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# Infratil Notice of Meeting 2016

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# The Shareholders Infratil Limited

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Shareholders have already received Infratil's 2016 Annual Report in which I, and Marko Bogoevski on behalf of the manager, H.R.L. Morrison & Co, comment on the activities of Infratil over the past year and on the future prospects for Infratil.

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The Annual Meeting is in Wellington this year. A number of matters are to come before shareholders for voting at the Annual Meeting. These include:

- The re-election of myself and Ms Alison Gerry as directors; and
- Authorisation for the directors to fix the auditor's remuneration.

There is no resolution this year in relation to fees paid to directors. The Company undertook a benchmarking exercise in 2015 and obtained shareholder approval to increase the fees paid to directors at the 2015 Annual Meeting. The directors have determined that an increase is not appropriate in 2016.

The Notice of Meeting that follows also includes a Disclosure Document (Annexure A) describing the Share Buyback Programme which Infratil has decided to continue. Your directors consider that, from time to time, buying back shares may be the best use of Infratil's funds. Accordingly, Infratil wishes to keep open that investment opportunity for the next 12 months, as it has done for a number of years.

I look forward to seeing you at the Annual Meeting, presenting our results and answering any questions you may have.

Yours sincerely,



**Mark Tume**  
Chairman







# Notice of Annual Meeting

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Notice is hereby given pursuant to section 120 of the Companies Act 1993 that the 2016 Annual Meeting of shareholders of Infratil Limited (the “Company”) will be held in the Amora Suites, Amora Hotel, 170 Wakefield Street, Wellington on Wednesday 24 August 2016, commencing at 2:30 pm.

## **BUSINESS**

### **A. Chairman’s Introduction**

### **B. Chief Executive’s Review**

**C. Presentation of the Annual Report for the year ended 31 March 2016 and the report of the auditor.** To receive and consider the Annual Report of the Company for the year ended 31 March 2016. Shareholders will have an opportunity to raise questions on the Report and on the performance and management of the Company generally.

### **D. Resolutions**

To consider and, if thought fit, pass the following ordinary resolutions:

- 1. Re-election of Mr Mark Tume:** That Mark Tume who retires by rotation in accordance with the Company’s constitution and NZX Main Board/Debt Market Listing Rule 3.3.11 and is eligible for re-election, be re-elected as a director of the Company.
- 2. Re-election of Ms Alison Gerry:** That Alison Gerry who retires by rotation in accordance with the Company’s constitution and NZX Main Board/Debt Market Listing Rule 3.3.11 and is eligible for re-election, be re-elected as a director of the Company.
- 3. Auditor’s remuneration:** That the directors be authorised to fix the auditor’s remuneration.

## ORDINARY RESOLUTIONS

Each resolution set out above is to be considered as a separate ordinary resolution. To be passed, each resolution requires a simple majority of votes of holders of ordinary shares of the Company, entitled to vote and voting.

## PROXIES

Any shareholder of the Company who is entitled to attend and vote at the Annual Meeting may appoint a proxy to attend and vote instead of him or her. A proxy does not need to be a shareholder of the Company. The Chairman of the Meeting is prepared to act as proxy. Any undirected votes in respect of a resolution, where the Chairman of the Meeting is appointed as a proxy, will be voted in favour of the relevant resolution, other than when he or she is prohibited from voting on that resolution. A shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the shareholder does not specify the proportion of the shareholder's voting rights each proxy is to represent, each proxy will be entitled to exercise half the shareholder's votes.

To appoint a proxy you can complete and sign the enclosed Proxy Form and return it by delivery, mail, facsimile or scan and email to the share registrar of the Company or lodge online:

### **Delivery by hand:**

Infratil Limited  
C/- Link Market Services Limited  
Level 11, Deloitte Centre, 80 Queen Street  
Auckland 1010, New Zealand

### **Mail:**

Infratil Limited  
C/- Link Market Services Limited  
PO Box 91976  
Victoria Street West  
Auckland 1142, New Zealand

**Facsimile:** +64 9 375 5990

**Scan and email:** [meetings@linkmarketservices.co.nz](mailto:meetings@linkmarketservices.co.nz)

Please put the words “Infratil Proxy Form” in the subject line for ease of identification

**Online:** You may lodge your proxy online, go to:  
[vote.linkmarketservices.com/IFT](http://vote.linkmarketservices.com/IFT)

You will require your holder number and FIN (New Zealand register) or your holder number and postcode (Australian register) to complete your vote.

A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by the share registrar or online appointment must be completed by no later than 48 hours before the start of the Annual Meeting, being 2.30 pm on 22 August 2016. Voting entitlements of the Annual Meeting will also be determined as at this time. Registered shareholders at that time will be the only persons entitled to vote at the Annual Meeting and only the shares registered in those holders’ names at that time may be voted at the Annual Meeting.

# Explanatory Notes

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## **RESOLUTIONS 1 AND 2: RE-ELECTION OF DIRECTORS**

The Board of the Company considers that Mr Tume and Ms Gerry will be Independent Directors for the purposes of the NZX Main Board/Debt Market Listing Rules if re-elected to the Board.

Mr Tume has been an Infratil director since 2007 and has been Chair of the Board since 2013; he is also Chair of the Nomination Committee. He is Chair of RetireAustralia, and other directorships include The New Zealand Refining Company and New Zealand Oil & Gas. His professional experience has been in banking and funds management and he has a Bachelor of Business Studies and a Diploma in Banking Studies.

Ms Gerry joined the Infratil board in 2014 and is Chair of the Audit & Risk Committee and a member of the Nomination Committee. Since 2007, Ms Gerry has been a professional company director and is currently a director of Spark, NZX and Vero. She is also Deputy Chair of Kiwibank and a director of TVNZ, but will be retiring from these two boards towards the end of 2016. Ms Gerry's background is in trading, finance and risk working for both corporates and financial institutions in Australasia and Asia. Ms Gerry has an honours degree in Management Studies from Waikato University and a Masters of Applied Finance from Macquarie University.

The Board supports the re-election of both Mr Tume and Ms Gerry.



### **RESOLUTION 3: AUDITOR'S REMUNERATION**

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

### **PARTICULARS OF THE SHARE BUYBACK PROGRAMME**

For many years, the Company has maintained a Share Buyback Programme. This programme has been successful in creating shareholder value and it is proposed that the Company continue it. The Share Buyback Programme needs to comply with the NZX Main Board/Debt Market Listing Rules ("Rules"). The Share Buyback Programme will be undertaken in accordance with Rule 7.6, and the primary intent is that shares be bought back as permitted by Rules 7.6.1(a) and (f) and the applicable provisions of the Companies Act 1993. This allows the Company to make any offer pursuant to the procedures detailed in Section 60(1)(b)(ii) of the Companies Act 1993, or through NZX's order matching market, or through the order matching market of a 'Recognised Stock Exchange' (as defined in the Rules) and in compliance with Section 63 of the Companies Act 1993.

The Company notifies shareholders that, in accordance with Sections 60(1)(b)(ii) or 63 of the Companies Act 1993, the Company may acquire up to a further 50 million ordinary shares (approximately 8.9% of the outstanding ordinary shares, excluding treasury stock). These shares may be bought on-market or off-market, but the combined total of further on-market and off-market purchases will not exceed 50 million ordinary shares. Off-market purchases will not be made from employees or directors of the Company or associated persons of directors.

The maximum price at which shares will be bought off-market is \$3.70 per share. The Company is not committing to buy shares at this or any other price and a decision as to any purchases will be made from time to time having regard to market conditions. No maximum price is specified for shares bought on-market, but the Company will always disclose the number of shares, and the price at which it bought them, whether on-market or off-market, before 9:30 am on the business day following the purchase being made.

Whether the purchases are on-market or off-market, the directors will regularly reassess the situation and seek to purchase shares at prices that in their view represent the best value for shareholders.

The directors believe that, depending on market conditions and the Company's then current share price, having the Share Buyback Programme in place is a positive way of improving shareholder value and is fair to the Company and all shareholders.

The disclosure document required under the Companies Act 1993 is attached as Annexure A.

#### **ANNEXURE A: COMPANIES ACT DISCLOSURE DOCUMENT FOR SHARE BUYBACK PROGRAMME**

In the 2015 Notice of Meeting the Company advised shareholders of its intention to continue its Share Buyback Programme, reserving the right to acquire up to 50,000,000 of the Company's ordinary shares on issue. The maximum price of shares that could be bought off-market was \$3.60 per share, and no maximum price was specified for shares bought on-market. The Company has not acquired any ordinary shares under the Share Buyback Programme since the 2015 Notice of Meeting.

It is considered appropriate for the Company to continue the previously notified Share Buyback Programme, but with a new maximum price of \$3.70 per share for shares bought off-market, and reserve the right to buy back up to 50 million of the Company's ordinary shares on issue. This would represent approximately 8.9% of the outstanding ordinary shares, excluding treasury stock. These shares may be bought on-market or off-market, but the combined total of further on-market and off-market purchases may not exceed 50 million ordinary shares. Off-market purchases may also not be made from employees or directors of the Company or associated persons of directors.

This Disclosure Document sets out the information that the Companies Act 1993 requires be provided to shareholders annually while a Share Buyback Programme continues.

## **TERMS OF THE OFFER**

### **On-market Buyback – Section 63 of the Companies Act 1993**

- The Company may make one or more offers on the NZX Main Board market to all shareholders to acquire up to 50 million ordinary shares in the Company, pursuant to section 63 of the Companies Act 1993.
- Offers may be made between 24 August 2016 and 31 July 2017.
- The Company will pay the prevailing market price for the shares at the time of purchase. The Company is not obliged to make offers, and reserves the right to cease doing so at any time.

### **Off-market Buyback – Section 60(1)(b)(ii) of the Companies Act 1993**

- The Company may make offers to one or more shareholders to acquire up to 50 million ordinary shares in the Company, pursuant to Section 60(1)(b)(ii) of the Companies Act 1993.
- Offers may be made between 24 August 2016 and 31 July 2017.
- The Company will pay the prevailing market price for the shares at the time of purchase. The price per share will not exceed \$3.70. The Company is not obliged to make offers, and reserves the right to cease doing so at any time.
- Buybacks made in compliance with Section 60(1)(b)(ii) of the Companies Act 1993 will not be made from any person who is a Director, Associated Person of a Director or an Employee (as those terms are defined in the NZX Main Board/Debt Market Listing Rules) of the Company and will not exceed 15% of the shares on issue at 24 August 2016.

### Other Information Applicable to Both On-market and Off-market Buybacks

- The Company will not purchase any shares while it possesses any information that is materially price-sensitive but not publicly available. If the Company has price sensitive information, it will cease acquiring shares until the information is publicly disclosed or ceases to be materially price sensitive.
- The Company intends to hold up to 5% of its shares as Treasury Stock, from those shares first acquired. Treasury Stock comprises shares acquired and held by the Company in itself and which would otherwise be cancelled on acquisition. Subject to certain restrictions, Treasury Stock can be transferred, re-issued or cancelled by the Company.
- All on-market offers will be designed so that the proceeds of sales will not be taxable as dividends whilst off-market offers may be taxable as dividends, and imputation credits will not be attached to the proceeds. Shareholders who have special tax status, as a result, for example, of trading securities professionally, should consult their tax advisers.

### RESOLUTIONS

To initiate the proposed offer the Board unanimously resolved on 13 July 2016:

1. To continue the previously notified Share Buyback Programme beyond 31 July 2016, but with a new maximum price of \$3.70 per share for shares bought off-market, and reserve the right to make one or more offers on the NZX market to all shareholders to acquire up to 50 million ordinary shares in the Company pursuant to Sections 60(1)(b)(ii) (off-market buyback) and Section 63 (on-market buyback) of the Companies Act 1993 (the Act) in the period between 24 August 2016 and 31 July 2017.
2. To pay the prevailing market price for the shares at the time of purchase, but for the purchases made pursuant to Section 60(1)(b)(ii) to pay not more than \$3.70 per share.

3. That in respect of an offer made pursuant to Section 60(1)(b)(ii):
  - the acquisition is in the best interests of the Company;
  - the acquisition is of benefit to the remaining shareholders;
  - the terms of the offer and the consideration offered for the shares are fair and reasonable to the Company; and
  - the terms of the offer and the consideration offered for the shares are fair and reasonable to the remaining shareholders.
4. That in respect of an offer made pursuant to Section 63:
  - the acquisition is in the best interests of the Company and its shareholders; and
  - the terms of the offer and the consideration offered for the shares are fair and reasonable to the Company and its shareholders.
5. That, for the purposes of buybacks effected under Resolution 3 or 4, the Directors are not aware of any information that will not be disclosed to the Company's shareholders.
  - that is material to an assessment of the value of the shares; and
  - as a result of which the terms of an offer and consideration offered for the shares are unfair to the shareholders accepting an offer.
6. That the reasons for the Directors' conclusions in the Resolutions 3, 4 and 5 are:
  - to maximise shareholder value. Acquiring shares where the share price is below \$3.70 may be considered by the Board (taking into account prevailing circumstances) to be an efficient use of capital; and
  - shareholders have total discretion to choose whether to participate in this buyback. There is no pressure to sell to the Company; and
  - the Company has in place reviews and procedures to ensure that it does not acquire shares during the period when material price sensitive information is known to the Company but is not available to shareholders.



7. That the Board is satisfied that the Company will, immediately after acquiring the shares, satisfy the solvency test applied under Section 52 of the Companies Act 1993.
8. That each of Marko Bogoevski, Kevin Baker, Phillippa Harford, Mark Flesher and Jason Boyes of Morrison & Co Infrastructure Management Limited (each acting alone) are hereby authorised to sign such documents and do such other things as may be necessary or appropriate to complete the buyback.
9. That until the Company holds shares in itself equating to 5% of the total number of shares on issue, such shares need not be cancelled but may be held as Treasury Stock by the Company itself.

## DIRECTORS' INTERESTS

Ordinary Shares (as at 18 July 2016)

	Ordinary Shares Beneficially Held	Ordinary Shares Non-Beneficially Held
A Muh	1,384,556	-
H J D Rolleston	42,460	-
D P Saville	-	14,000,000
M Tume	36,977	5,792
M Bogoevski	1,618,299	-
P Gough	176,703	-
A Gerry	21,588	-

This Disclosure Document is provided pursuant to Sections 61(5) and 63(6) of the Companies Act 1993 and complies with Sections 62 and 64 of the Companies Act 1993.

