

Infratil

# NOTICE OF MEETING 2017



# THE SHAREHOLDERS INFRATIL LIMITED

## 21 JULY 2017

Shareholders have already received Infratil's 2017 Annual Report in which Marko Bogoevski (on behalf of the manager, H.R.L. Morrison & Co) and I comment on the activities of Infratil over the past year and on the future prospects for Infratil.

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

- The re-election of Mr Marko Bogoevski and Mr Humphry Rolleston as directors.
- The election of Mr Peter Springford as a director.
- Authorisation for the directors to fix the auditor's remuneration.

Marko and Humphry are highly valued directors and the Board supports their re-election. Peter brings extensive experience in managing companies in Australia, New Zealand and Asia, and the Board supports his election.

There is no resolution this year in relation to directors' fees (nor was there a resolution in relation to directors' fees in 2016). The Board reviews directors' fees annually to ensure that fees do not fall out of step with the market and reflect the commitment required of an Infratil director, and last obtained shareholder approval to increase the aggregate maximum remuneration payable to directors of Infratil and its subsidiaries at the 2015 AGM (at which shareholders approved a directors' fee pool of \$940,923, plus GST). This directors' fee pool may be divided among directors of Infratil and its subsidiaries as the Board deems appropriate, and the Board has approved a modest increase to the directors' fee structure (which has applied since the 2015 AGM) for the year ending 31 March 2018, details of which are set out overleaf. However, the aggregate actual remuneration payable to directors of Infratil and its subsidiaries can still be paid from the directors' fee pool approved by shareholders at the 2015 AGM, so no approval is sought from shareholders this year to increase that (although approvals may be sought in future years depending on the outcome of the annual reviews).

ANNUAL FEE STRUCTURE	FINANCIAL YEAR 2017 (NZD)	FINANCIAL YEAR 2018 (NZD)
<b>Base Fees:</b>		
Chairman of the Board (inclusive of Committee fees)	180,000	200,000
Director	90,000	100,000
Overseas Director (P Gough)	112,501	120,376
<b>Audit and Risk Committee Fees:</b>		
Chair	18,422	20,000
Member	10,000	10,000
<b>Nominations Committee Fees:</b>		
Chair	Nil	Nil
Member	Nil	Nil

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

Notice is hereby given pursuant to section 120 of the Companies Act 1993 that the 2017 Annual Meeting of shareholders of Infratil Limited (the “**Company**”) will be held in the Marlborough Room, Level 5, SKYCITY Auckland Convention Centre, 88 Federal Street, Auckland on Thursday, 24 August 2017, commencing at 2:30pm.

## BUSINESS

### A. Chairman’s Introduction

### B. Chief Executive’s Review

### C. Presentation of the Annual Report for the year ended 31 March 2017 and the report of the auditor

To receive and consider the Annual Report of the Company for the year ended 31 March 2017. 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 Marko Bogoevski:** That Marko Bogoevski 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 Mr Humphry Rolleston:** That Humphry Rolleston 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. **Election of Mr Peter Springford:** That Peter Springford, who was appointed as a director of the Company by the directors on 1 November 2016 and retires in accordance with NZX Main Board/Debt Market Listing Rule 3.3.6, and is eligible for election, be elected as a director of the Company.
4. **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 un-directed 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

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 2.30pm on 22 August 2017. 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

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

The Board of the Company considers that Mr Bogoievski will not be an Independent Director, and that Mr Rolleston will be an Independent Director, for the purposes of the NZX Main Board/Debt Market Listing Rules if re-elected to the Board.

Mr Bogoievski is Chief Executive of the Company and its Manager, H.R.L. Morrison & Co. He joined the Board in 2009. He is a director of Trustpower, Longroad Energy and H.R.L. Morrison & Co. He was previously Chief Financial Officer of Telecom New Zealand and has held board roles with Auckland Airport, SKY Network Television and Z Energy. He is a Fellow of the New Zealand Institute of Chartered Accountants.

Mr Rolleston joined the Board in 2006. He is a director of NZX listed Property for Industry, a Board member of Regenerate Christchurch and owns private companies involved in tourism, security, disruptive technology, manufacturing and finance. He is a Fellow of the New Zealand Institute of Directors and the Institute of Management.

The Board supports the re-election of both Mr Bogoievski and Mr Rolleston.

## RESOLUTION 3: ELECTION OF DIRECTOR

The Board of the Company considers that Mr Springford will be an Independent Director if elected to the Board.

Mr Springford joined the Board in 2016. Mr Springford has extensive experience in managing companies in Australia, New Zealand and Asia, including five years based in Hong Kong as President of International Paper (Asia) and four years as Chief Executive Officer and Managing Director of Carter Holt Harvey. He is a non-executive director of Zespri Group and is a chartered member of the New Zealand Institute of Directors.

The Board supports the election of Mr Springford.

#### **RESOLUTION 4: 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 50,000,000 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 50,000,000 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 2016 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 \$3.70 per share, and no maximum price was specified for shares bought on-market. The Company has acquired 2,510,000 ordinary shares under the Share Buyback Programme since the 2016 Notice of Meeting.

It is considered appropriate for the Company to continue the previously notified Share Buyback Programme, with a maximum price of \$3.70 per share for shares bought off-market, and reserve the right to buy back up to a further 50,000,000 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 50,000,000 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 50,000,000 ordinary shares in the Company, pursuant to section 63 of the Companies Act 1993.
- Offers may be made between 24 August 2017 and 31 July 2018.
- 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 50,000,000 ordinary shares in the Company, pursuant to Section 60(1)(b)(ii) of the Companies Act 1993.
- Offers may be made between 24 August 2017 and 31 July 2018.
- 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 Rules) of the Company and will not exceed 15% of the shares on issue at 24 August 2017.

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 4 July 2017, amongst other things:

1. To continue the previously notified Share Buyback Programme beyond 31 July 2017, with a 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 a further 50,000,000 ordinary shares in the Company pursuant to Section 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 2017 and 31 July 2018.
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 any 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 the offer and consideration offered for the shares are unfair to the shareholders accepting the offer.
6. That the reasons for the Directors' conclusions in the Resolutions 3, 4 and 5 are:
  - To maximise shareholder value. Acquiring shares when 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 the 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 Marko Bogoevski, Mark Flesher, Phillippa Harford 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 10 July 2017)

	ORDINARY SHARES BENEFICIALLY HELD	ORDINARY SHARES NON-BENEFICIALLY HELD
M Tume	36,977	5,792
M Bogoevski	1,618,299	-
A Gerry	21,588	-
P Gough	-	-
P M Springford	25,000	-
H J D Rolleston	42,460	-

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.



