

23 September 2015

Dear Shareholder

Provision of Financial Assistance in connection with Auckland International Airport Limited's Executive Long Term Incentive Plan

Introduction

Auckland International Airport Limited ("**AIAL**") is introducing an executive long term incentive plan, which will be launched in October 2015.

This document sets out the information that AIAL is required to provide to all shareholders in relation to the financial assistance to be given in connection with shares acquired under the plan.

This document is provided to you for your information. You are not required to take any action in relation to it.

AIAL's Executive Long Term Incentive Plan

AIAL has established an executive long term incentive plan for participation by AIAL's senior executives ("**LTIP**"). The Board considers that the LTIP will attract and retain key executives, aligning the interests of management with those of shareholders and providing executives incentives and rewards reflecting the performance and success of AIAL.

Under the LTIP:

- participants will receive an interest free loan from AIAL for the purposes of acquiring shares under the LTIP;
- shares will not vest under the LTIP until the relevant participation has satisfied certain performance hurdles set by the Board at the time of offer of shares under the LTIP to the relevant participant; and
- until such time as a participant's shares vest and the participant has repaid in full the loan for those shares, the participant's shares will be held on trust by the trustee of the LTIP.

AIAL will provide interest free loans of \$1,000,000 in the aggregate to the initial participants in the LTIP and to the trustee in connection with the acquisition of ordinary shares in AIAL under the rules of the LTIP. This will constitute the giving of "financial assistance" for the purposes of the Companies Act 1993.

Board resolutions

The text of the AIAL Board resolutions passed on 18 September 2015 approving the giving of the financial assistance is set out below:

1. *That the establishment of the LTIP is approved and that any two directors of the Company are authorised to enter into Trust Deed, the Put Option Deed, Trustee Loan and any other document necessary or desirable to give effect to the LTIP on behalf of the Company.*

2. *That any one director of the Company is authorised to appoint a trustee for the purposes of the LTIP.*
3. *That the form of LTIP Letter is approved and the Chief Executive is authorised to issue that document to participants in the LTIP on behalf of the Company.*
4. *That the Company offer and, subject to receipt of a duly completed acceptance form, issue shares to the participants pursuant to the LTIP:*
 - (a) *on the terms and conditions set out in the Plan Rules;*
 - (b) *on the basis set out next to their respective names in background paragraph 2 above (or such lesser number of shares as the relevant participant may subscribe for);*
 - (c) *at an issue price equal to the volume weighted average price of the Company's shares on the NZX Main Board for the 10 trading days period prior to the date of issue;*
 - (d) *on or about 12 October 2015; and*
 - (e) *with such performance hurdles and vesting dates as may be determined by the board for each participant and set out in that participant's LTIP Letter.*
5. *In connection with the issue by the Company of the shares, that:*
 - (a) *in the opinion of the board, the consideration for, and terms of, the issue are fair and reasonable to the Company and to all existing shareholders; and*
 - (b) *entry as to the ownership of the shares be made in the Company's share register, and notice of issue be delivered for registration, as required by section 43 of the Companies Act 1993.*
6. *That the Company provide interest free loans of \$1,000,000 in the aggregate to the initial participants in the LTIP and to the trustee (as noted in background paragraph 2 above) in connection with the acquisition of ordinary shares in the Company under the rules of the LTIP ("**Financial Assistance**").*
7. *That the giving by the Company of the Financial Assistance is in the best interests of the Company.*
8. *That the terms and conditions under which the Financial Assistance is to be given are fair and reasonable to the Company.*
9. *That giving the Financial Assistance is of benefit to those shareholders not receiving the Financial Assistance.*
10. *That the terms and conditions under which the Financial Assistance is to be given are fair and reasonable to those shareholders not receiving the Financial Assistance.*
11. *That the Board is satisfied on reasonable grounds that the Company will, immediately after the provision of the Financial Assistance, satisfy the solvency test set out in section 4 of the Companies Act 1993.*

Grounds for the directors' conclusions:

The grounds for the directors' conclusions are:

1. *The giving of the Financial Assistance and other benefits to be provided to the initial participants in the LTIP and to the trustee to provide flexibility for future participation in the LTIP (as noted in background paragraph 2 above) is comparable to other plans established by significant listed companies, including the Company's industry peers and will benefit the Company and its shareholders by attracting and retaining key executives, aligning the interests of management with those of shareholders and providing executives incentives and rewards reflecting the performance and success of the Company.*
2. *We believe, after considering the following matters, that immediately after payment of the proposed Financial Assistance, the Company will be able to pay its debts as they become due in the normal course of business, and the value of the Company's assets will be greater than the value of its liabilities (including contingent liabilities):*
 - (a) *The most recent audited financial statements of the Company for the year ended 30 June 2015 that comply with the Financial Reporting Act 2013;*
 - (b) *The management accounts of the Company for the period to 31 July 2015;*
 - (c) *The Company's cash balance as at 11 September 2015;*
 - (d) *The existing headroom under the Company's undrawn but committed bank facilities;*
 - (e) *All circumstances of which we are aware that affect, or may affect, the value of the Company's assets and liabilities (including contingent liabilities).*

Shareholder rights

Section 78(7) of the Companies Act 1993 confers on shareholders certain rights to apply to the Court to restrain the proposed assistance being given. The financial assistance may be given by AIAL no less than 10 working days and no more than 12 months after this document has been sent to each shareholder.



Adrian Littlewood
Chief Executive