

Hi ferg

David is correct that there is always remains the option of the shareholders , by a shareholder resolution to direct the its company to do its bidding. It can also take the step firing the board if it considers that the board is not acting in accordance with the SOI or within the law. Equally the Board is a semi-autonomous body and can challenge the actions of its shareholders. It should be noted that this actions doesn't need to wait for the formal SOI process but actually can occur at any time, the SOI is in fact simply a formal annual review required to be taken in law. Alexa's comments are correct, the Council technically accepts the boards final SOI, because it's the company's SOI. The expectation is that the board having received now three lots of feedback from the shareholder should have the SOI in good shape, but that still does not stop the council from requesting change even at that late stage. The board may however seek to question the wisdom of this particularly as it is charged with looking across the whole expectation for the airport (including the various legislation the airport operates under) and offering its most professional advice to its owners; what that implies to me is that there shareholder should be very careful about continuing to seek last minute changes. We also need to acknowledge that we are not the only shareholder, AIAL also have a voice in the SOI, and one of the roles of the company is to reflect the views of all shareholders

While all these legal steps do exist we do need to reflect on the final advice that Jonathon Slater gave to council which was that received from the auditor general, which is that the most effective relationship is where there is a strong alignment of values and direction and open two way dialogue between the shareholders and the company; the legal steps are there but are less likely to be the most effective tools in getting the best out of the CCO. Hope this helps
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From: Craig Ferguson Sent: Friday, 26 April 2019 2:51 PM
To: Mike Theelen <Mike.Theelen@qldc.govt.nz>
Subject: Fwd: QAC's draft SOI
Hi Mike
Any chance of a definitive stand on Davids question please ?
Been a bit of back and fwd around what community is entitled to see from our feedback to QAC