

SKYCITY ENTERTAINMENT GROUP LIMITED

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# NOTICE OF ANNUAL MEETING

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17 OCTOBER 2014

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# NOTICE OF ANNUAL MEETING

The 2014 Annual Meeting of Shareholders will be held on Friday 17 October 2014 commencing at 10.00am (New Zealand time) in the New Zealand Room, Level 5, SKYCITY Auckland Convention Centre, 88–96 Federal Street, Auckland.

## AGENDA

Shareholders will be asked to consider and, if thought appropriate, pass the following ordinary resolutions:

- 1. TO RE-ELECT BRENT HARMAN**  
Brent Harman retires from office at the Annual Meeting and, being eligible, offers himself for re-election.
- 2. TO RE-ELECT SUE SUCKLING**  
Sue Suckling retires from office at the Annual Meeting and, being eligible, offers herself for re-election.
- 3. TO AUTHORISE AN INCREASE IN THE TOTAL FEES FOR NON-EXECUTIVE DIRECTORS FROM \$1,300,000 (PLUS GST, IF ANY) TO \$1,365,000 (PLUS GST, IF ANY) FOR EACH FINANCIAL YEAR, BEING AN INCREASE OF \$65,000 (PLUS GST, IF ANY), AND THAT SUCH INCREASE TAKE EFFECT FROM 1 JULY 2014**
- 4. TO AUTHORISE THE DIRECTORS TO FIX THE FEES AND EXPENSES OF THE AUDITOR OF THE COMPANY**

All items of business are ordinary resolutions and are required to be passed by a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions.

## EXPLANATORY NOTES

Explanatory Notes on the directors offering themselves for re-election, the proposed increase in non-executive directors' fees and the fixing of the auditor's fees and expenses are attached to and form part of this Notice of Annual Meeting.

## ATTENDANCE

All shareholders are entitled to attend and vote at the Annual Meeting or to appoint a proxy or representative (in the case of a corporate shareholder) to attend and vote on their behalf. The appointment of a proxy or representative does not preclude a shareholder from attending and voting at the Annual Meeting in place of the proxy or representative.

## PROXIES

A proxy need not be a shareholder and may be appointed online or by completing the form accompanying this Notice of Annual Meeting. The appointment must be lodged online at [www.investorvote.co.nz](http://www.investorvote.co.nz) or, if you complete the accompanying form, received by Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Private Bag 92119, Auckland 1142 by no later than 10.00am (New Zealand time) on Wednesday 15 October 2014.

You may appoint the Chairman of the Annual Meeting as your proxy. If you appoint the Chairman as proxy and have marked the 'proxy discretion' box in relation to any of resolution 1, 2 or 4, the Chairman will vote for that resolution. However, the Chairman will abstain from voting where he has been given such discretion for resolution 3.

Please note that your proxy will not be able to vote at the Annual Meeting unless you have provided a voting direction or discretion.

### VOTING RESTRICTIONS

In accordance with the NZX Main Board Listing Rules and the ASX Listing Rules, the company will disregard any votes cast on resolution 3 by any director of SKYCITY and any of their associated persons (as defined in the NZX Main Board Listing Rules) or their associates (as defined in the ASX Listing Rules), except where any such vote is cast by that director or one of their associated persons or associates as proxy for a person who is entitled to vote and the director or that associated person or associate votes in accordance with express instructions to vote for or against a particular resolution on the proxy form or online proxy instructions.

As noted above, where the Chairman is appointed as a proxy he will abstain from voting on resolution 3, except where he has been given express instructions to vote for or against that resolution.

### GENERAL

Please note that all dollar amounts stated in this Notice of Annual Meeting are expressed in New Zealand dollars.

Yours faithfully



**PETER TREACY**  
COMPANY SECRETARY  
12 September 2014

# LETTER FROM THE CHAIRMAN

## DEAR SHAREHOLDER AND/OR CAPITAL NOTEHOLDER

I am pleased to invite you to the 2014 Annual Meeting of SKYCITY Entertainment Group Limited to be held on Friday 17 October 2014 commencing at 10.00am (New Zealand time) in the New Zealand Room, Level 5, SKYCITY Auckland Convention Centre, 88–96 Federal Street, Auckland.

Shareholders attending the Annual Meeting may park free of charge in the SKYCITY Auckland Main Car Park. Please take a ticket on entry into our car park and we will replace your ticket with a prepaid one at the Annual Meeting.

As in previous years, shareholders and capital noteholders are invited to attend the Annual Meeting and to ask questions about the operations and management of the business. Capital noteholders who are not also shareholders are reminded that only shareholders (or the proxies or corporative representatives of shareholders) are entitled to vote on the resolutions which are included in the agenda for the Annual Meeting.

If you wish to vote by appointing a proxy to vote on your behalf, you may direct your proxy to vote for or against a resolution, to abstain from voting or to exercise their discretion as to how to vote.

SKYCITY's Chief Executive, Nigel Morrison, and I will summarise SKYCITY's performance during the 2013/14 financial year and provide an update on current trading. Shareholders and capital noteholders will then be invited to ask questions relating to the operations and management of the business before we move to the resolutions as set out in the agenda.

Agenda items for the Annual Meeting relate to the re-election of directors, a proposed increase in directors' fees and authorisation for directors to fix the fees and expenses of the external auditor.

Brent Harman and Sue Suckling are standing for re-election as directors at the Annual Meeting. The board has determined that each of them is independent and eligible for election and unanimously endorses their re-election. Brief biographical notes for each of these directors are included in the accompanying Explanatory Notes.

It is proposed to increase the maximum pool of directors' fees that may be paid to non-executive directors in any financial year, with effect from 1 July 2014, from \$1,300,000 (plus GST, if any) to \$1,365,000 (plus GST, if any), being an increase of \$65,000 (plus GST, if any). This proposed increase takes account of the desire to continue to attract and retain qualified, highly capable directors from a pan-Australasian talent pool for the purpose of driving value and maintaining the highest standards of corporate governance on behalf of shareholders. None of the directors nor any of their associates is entitled to vote on the resolution relating to the increase in directors' fees.

The board recommends shareholders vote in favour of all resolutions.

Shareholders and capital noteholders are invited to submit questions prior to the Annual Meeting by post (PO Box 6443, Wellesley Street, Auckland 1141) or by email (sceginfo@skycity.co.nz). We will aggregate the main themes of the questions asked and respond to them at the Annual Meeting.

For those shareholders attending the Annual Meeting, please bring the combined attendance card, proxy form and voting paper with you to assist with your registration and for voting purposes. Capital noteholders who are not also shareholders have not been sent this document, but are nonetheless entitled to attend the Annual Meeting. However, as referred to above, capital noteholders who are not also shareholders cannot vote on the resolutions being put to the Annual Meeting.

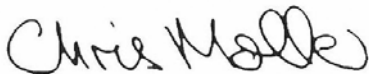
Voting at the Annual Meeting will be, as has been the practice in the past, by way of poll.

If you are not intending to attend the Annual Meeting, please appoint your proxy online or complete and lodge the form accompanying this Notice of Meeting so that it is received by Computershare Investor Services Limited by no later than 10.00am (New Zealand time) on Wednesday 15 October 2014, being 48 hours prior to the Annual Meeting. Please remember to state your voting instructions.

A live recording of the Annual Meeting will be broadcast on the company's website ([www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)) commencing at 10.00am (New Zealand time) on Friday 17 October 2014. A test page is currently available on our website so that you can visit prior to the Annual Meeting and ensure that you will be able to view and hear the broadcast. The recording will also be available on our website following the Annual Meeting. Copies of the presentations made at the Annual Meeting and the results of voting will be posted on the company's website following the conclusion of the Annual Meeting and finalisation of the voting results.

I look forward to seeing you at the Annual Meeting.

Yours faithfully



**CHRIS MOLLER**  
CHAIRMAN

# EXPLANATORY NOTES

## AGENDA ITEM 1 RE-ELECTION OF BRENT HARMAN

Brent Harman retires by rotation at the Annual Meeting and offers himself for re-election in accordance with NZX Main Board Listing Rule 3.3.11.

Mr Harman is Chairman of the Remuneration and Human Resources Committee of the board and a member of the Governance and Nominations Committee of the board.

Mr Harman is an experienced broadcaster and company director with a background in managing publicly listed companies in Australia and the United Kingdom. He has held senior positions in the broadcast and new media industries in New Zealand, the United Kingdom and Australia.

Mr Harman was first appointed a director of SKYCITY on 18 December 2008. The board considers Mr Harman to be an independent director and unanimously recommends that shareholders vote in favour of his election.

## AGENDA ITEM 2 RE-ELECTION OF SUE SUCKLING

Sue Suckling retires by rotation at the Annual Meeting and offers herself for re-election in accordance with NZX Main Board Listing Rule 3.3.11.

Ms Suckling is a member of the Remuneration and Human Resources Committee of the board and a member of the Governance and Nominations Committee of the board. She is responsible for leading the board's agenda on health and safety and ensuring that health and safety is monitored and that appropriate issues are addressed as necessary.

Ms Suckling is a director and consultant with over 25 years' experience in corporate governance. She is currently the Chair of the New Zealand Qualifications Authority, Barker Fruit Processors Limited, the Callaghan Innovation Board, Jacobsen Pacific Limited and ECL Group Limited. She is a director of Restaurant Brands New Zealand Limited and a member of the New Zealand Takeovers Panel. Previous governance roles include chairing NIWA, AgriQuality Limited, and as a director of Westpac Investments Limited and the New Zealand Dairy Board. In 1996, she was awarded an OBE for her contribution to New Zealand business. Ms Suckling is a Fellow of the New Zealand Institute of Directors and a Companion of the Royal Society of New Zealand.

Ms Suckling was first appointed a director of SKYCITY on 9 May 2011. The board considers Ms Suckling to be an independent director and unanimously recommends that shareholders vote in favour of her election.

## AGENDA ITEM 3 INCREASE IN DIRECTORS' FEES

Non-executive directors' fees were last increased by shareholders at the 2011 Annual Meeting. At that meeting, shareholders voted in favour of a total pool for payments to non-executive directors of \$1,300,000 per annum (plus GST, if any). Agenda item 3 for this Annual Meeting proposes an increase in the total pool for non-executive director fee allocation from \$1,300,000 (plus GST, if any) to \$1,365,000 per annum (plus GST, if any), being an increase of \$65,000 (plus GST, if any), and that such increase take effect from 1 July 2014.

Current fees for SKYCITY non-executive directors, allocated from the approved annual pool of \$1,300,000

(plus GST, if any), are \$250,000 per annum for the Chairperson of the board, \$150,000 for the Deputy Chairperson of the board and \$120,000 per annum for each other non-executive director. In addition, each ordinary member of the Audit and Financial Risk Committee, Remuneration and Human Resources Committee or Corporate Social Responsibility Committee receives \$15,000 per annum. The Chairperson of the Audit and Financial Risk Committee receives \$35,000 per annum, the Chairperson of the Remuneration and Human Resources Committee receives \$25,000 per annum and the Chairperson of the Corporate Social Responsibility Committees receives \$25,000 per annum.

The workload and responsibilities of publicly-listed company directors continues to increase both in terms of complexity and time commitment and, in the remuneration and human resource domains, issues to be dealt with and determined by the Remuneration and Human Resources Committee have become increasingly more complex and time consuming. In addition, the company wishes to continue to attract and retain qualified, highly capable directors from a pan-Australasian talent pool for the purpose of driving value and maintaining the highest standards of corporate governance on behalf of shareholders. Accordingly, moderate increases of fees are proposed to recognise this increased workload and be market-competitive to ensure the company can attract and retain the best available talent.

Shareholder approval for the proposed increase in the fee pool is required pursuant to NZX Main Board Listing Rule 3.5.1 and ASX Listing Rule 10.17.

In seeking such approval, the board has considered a paper prepared by PricewaterhouseCoopers for the Remuneration and Human Resources Committee – the purpose of which was to benchmark fees paid by SKYCITY to non-executive directors with a relevant comparator group of Australian/New Zealand large listed companies.

If the proposed increase in the fee pool is approved by shareholders, it is proposed that:

- the annual fees be \$275,000 for the Chairperson of the board (an increase of \$25,000 per annum), \$157,500 for the Deputy Chairperson of the board (an increase of \$7,500 per annum) and \$126,000 each for other non-executive directors (an increase of \$6,000 per annum); and
- the annual fee be \$35,000 per annum for the Chairperson of the Remuneration and Human Resources Committee (an increase of \$10,000 per annum), with no increase in the annual fee for each ordinary member of the Audit and Financial Risk Committee, Remuneration and Human Resources Committee or Corporate Social Responsibility Committee or for chairing either the Audit and Financial Risk Committee or Corporate Social Responsibility Committee.

SKYCITY's policy on non-executive director remuneration was developed in 2011 by the Remuneration Committee (now renamed the Remuneration and Human Resources Committee) and subsequently approved by the board. It is available in the Investor Centre section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com).

In accordance with the NZX Main Board Listing Rules and the ASX Listing Rules, the company will disregard any votes cast on resolution 3 by any director of SKYCITY and any of their associated persons (as defined in the NZX Main Board Listing Rules) or associates (as defined in the ASX Listing Rules), except where any such vote is cast by that director or one of their associated persons or associates as proxy for a person who is entitled to vote and that director or that associated person or associate votes in accordance with express instructions to vote for or against a particular resolution on the proxy form or online proxy instructions.

#### AGENDA ITEM 4 REMUNERATION OF AUDITOR

Section 200 of the Companies Act 1993 provides that a company's auditor is automatically re-appointed unless there is a resolution or other reason for the auditor not to be re-appointed. The company wishes PricewaterhouseCoopers to continue as the company's auditor and PricewaterhouseCoopers has indicated its willingness to do so.

Section 197(a) of the Companies Act 1993 provides that the fees and expenses of PricewaterhouseCoopers as auditor are to be fixed in such a manner as the company determines at the Annual Meeting. The board proposes that, consistent with commercial practice, the auditor's fees should be fixed by the directors. Authority for the directors to fix the fees and expenses of the auditor is a resolution at each Annual Meeting of shareholders of the company.

