



## Sydney Airport is it time to go private?

<b>Company/ASX Code</b>	Sydney Airport/SYD
<b>AGM date</b>	Thursday 3 February 2022
<b>Time and location</b>	11am AEDT Virtual <a href="https://meetnow.global/M4FZK7U">https://meetnow.global/M4FZK7U</a>
<b>Registry</b>	Computershare
<b>Webcast</b>	Yes
<b>Poll or show of hands</b>	Poll on all items
<b>Monitor</b>	Julieanne Mills, Fiona Balzer, Ian Anderson
<b>Pre AGM Meeting?</b>	Yes with Chair David Gonski, and G.M Finance Belinda Shaw.

The individual(s) (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

**This resolution is commercial in nature. Shareholders who wish to appoint the Australian Shareholders' Association as their proxy are urged to read the documentation and give a directed vote that takes into account their individual circumstances. Open proxies will be voted in favour of the resolution.**

### General Information

Sydney Airport (SYD) is the only ASX listed airport asset. It is Australia's largest airport and an important Australian asset and gateway for international travellers. It has a long-term lease until 2097 and, until COVID-19 hit in 2020, had year on year revenue growth of 7.9%. For retail shareholders this offered an opportunity to invest in an important infrastructure asset with a steady income stream.

However, travel restrictions and changes in travel patterns due to COVID-19, competition from the opening of Western Sydney Airport, geo-political changes to international travellers, aeronautical and commercial revenue uncertainty, distribution uncertainty, capital investment requirements and future pandemic risks, have significantly impacted the risk profile of this company and the potential returns.

### Summary Scheme Meeting

The purpose of this meeting is to vote on the proposed acquisition of Sydney Airport by Sydney Aviation Alliance by way of a scheme of arrangement, in exchange for a cash offer of \$8.75/share to Sydney Airport Securityholders.

**YOUR VOTE IS IMPORTANT PLEASE READ THE SCHEME DOCUMENTS AND SEEK ADVICE.**

Should the scheme receive the required votes you will no longer have the choice and your shares will be acquired at \$8.75/share. If it fails, there is a likelihood that the share price will initially be recalibrated.

The Kroll Independent Expert Report clearly sets out the reasons for the valuation range of \$7.94-\$8.86/security and stresses the uncertainty of the current COVID-19 environment and the unpredictable nature of future projections for SYD in this environment.

The board believes this third bid represents the fundamental long-term value of SYD, and that it is fair and reasonable given the strategic nature of Sydney Airport, its historical growth prior to COVID-19 and the potential it has for further development. The bid is a significant premium to the recent share price prior to the offer. The certainty of a cash price de-risks the uncertainty around COVID-19 and the changing environment of airports and the increased level of risk attached to these shares.

On the other hand, there are reasons to vote against the offer and shareholders have an opportunity to vote in their own best interests and are encouraged to do so. The tax implications may not be in your best interests, you may be happy with a longer-term view and believe that this investment fits with your portfolio and investment strategy, or you may believe there is an opportunity for a superior bid at some point.

The scheme has already received FIRB and ACCC approval, however it will need a second court approval once shareholders have voted.

The company has advised that a tax summary will be provided prior to the end of the 2022 financial year but it cannot be produced before the vote. Tax advice should be considered prior to your vote.

In accordance with the Corporations Act there are two scheme meetings required due to SYD shares comprising a SAT1 unit that is stapled to a SAL share. The Company Scheme applies to the SAL shares and the Trust Scheme applies to the SAT1 units. UniSuper securities have their own separate scheme meeting and are not voting on these resolutions.

### **Resolution of holders of SAL shares**

<b>Item 1</b>	<b>Company Scheme Resolution.</b>
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The ASA will be voting undirected proxies in favour of this resolution HOWEVER we encourage all shareholders to read the scheme booklet, assess their individual situation and give us a directed vote.

This resolution must be passed by more than 50% in number of security holders present and voting and at least 75% of total number of votes cast.

## Resolution of holders of SAT1 units

<b>Item 2</b>	<b>Trust Scheme Resolution 1.</b>
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The ASA will be voting undirected proxies in favour of this resolution HOWEVER we encourage all shareholders to read the scheme booklet, assess their individual situation and give us a directed vote.

This resolution must be passed by at least 75% of total number of votes cast by eligible securityholders.

<b>Item 3</b>	<b>Trust Scheme Resolution 2.</b>
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The ASA will be voting undirected proxies in favour of this resolution HOWEVER we encourage all shareholders to read the scheme booklet, assess their individual situation and give us a directed vote.

This resolution must be passed by more than 50% of the total number of votes cast.

### **ASA Disclaimer**

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