

Macquarie Infrastructure Corp  
Form DEF 14A  
April 01, 2016

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

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Check the appropriate box:

o Preliminary Proxy Statement  
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 o Definitive Additional Materials  
 o Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

**MACQUARIE INFRASTRUCTURE CORPORATION**

(Name of Registrant as Specified in Its Charter)

**N/A**

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.  
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(1) Amount Previously Paid:

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TABLE OF CONTENTS

# MACQUARIE INFRASTRUCTURE CORPORATION

April 1, 2016

Dear Shareholder:

You are cordially invited to participate in our 2016 Annual Meeting of Shareholders, referred to herein as the Annual Meeting, which will be held on Wednesday, May 18, 2016 at 10:00A.M. (Eastern Time). We are pleased that this year's Annual Meeting will be a virtual meeting of shareholders, that is, you may participate solely by means of remote communication. You will be able to participate in the Annual Meeting, vote and submit your questions during the Annual Meeting via live webcast by visiting [www.virtualshareholdermeeting.com/MIC16](http://www.virtualshareholdermeeting.com/MIC16) or listen and submit your questions via conference call at 1-877-328-2502. Please note that you will not be able to vote your shares via conference call. Prior to the Annual Meeting, you will be able to vote at [www.proxyvote.com](http://www.proxyvote.com).

The following pages contain the formal Notice of the Annual Meeting and our proxy statement. The proxy statement contains important information about the Annual Meeting, the proposals we will consider and how you can vote your shares. Please review this material for information concerning the business to be conducted at the meeting and the nominees for election as directors.

Your vote is very important to us. Whether or not you plan to participate in the Annual Meeting, we encourage you to promptly vote and submit your proxy by telephone or by Internet or by completing, signing, dating and returning the enclosed proxy card. This will help us ensure that your vote is represented at the Annual Meeting.

On behalf of the board of directors and management, I extend our appreciation for your participation and interest in Macquarie Infrastructure Corporation.

Sincerely,

Martin Stanley  
Chairman of the Board of Directors

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TABLE OF CONTENTS

# MACQUARIE INFRASTRUCTURE CORPORATION

April 1, 2016

## NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

### To Be Held on Wednesday, May 18, 2016

Macquarie Infrastructure Corporation's 2016 Annual Meeting of Shareholders, referred to herein as the Annual Meeting, will be held on Wednesday, May 18, 2016 at 10:00A.M. (Eastern Time). You can participate in the Annual Meeting online, vote your shares electronically and submit questions during the Meeting, by visiting [www.virtualshareholdermeeting.com/MIC16](http://www.virtualshareholdermeeting.com/MIC16). Be sure to have your 16-Digit Control Number to enter the Annual Meeting. In addition, you may listen and submit your questions via conference call at 1-877-328-2502. Please note that you will not be able to vote your shares via conference call. At the Annual Meeting, we will discuss, and you will vote on, the following proposals:

the election of directors eligible for election by our common stockholders to our board of directors to serve for a one-year term;  
the ratification of the selection of KPMG LLP as our independent auditor for the fiscal year ending December 31, 2016;

the approval, on an advisory basis, of executive compensation;  
the approval of the Macquarie Infrastructure Corporation 2016 Omnibus Employee Incentive Plan; and  
any other business as may be properly brought before the meeting.

These matters are more fully described in the enclosed proxy statement. The board of directors recommends that you vote **FOR** the election of directors, the ratification of the independent auditors, the approval, on an advisory basis, of executive compensation and the 2016 Omnibus Employee Incentive Plan.

Only shareholders of record at the close of business on March 23, 2016 will be entitled to notice of, and to vote at, the Annual Meeting and at any subsequent adjournments or postponements. Prior to the Annual Meeting, those shareholders will be able to vote at [www.proxyvote.com](http://www.proxyvote.com). Each shareholder is entitled to one vote for each share of common stock held at the close of business on March 23, 2016.

The share register will not be closed between the record date and the date of the Annual Meeting. A list of shareholders entitled to vote at the Annual Meeting is available for inspection at our principal executive offices at 125 West 55<sup>th</sup> Street, New York, New York 10019, and electronically during the Annual Meeting at [www.virtualshareholdermeeting.com/MIC16](http://www.virtualshareholdermeeting.com/MIC16) when you enter your 16-Digit Control Number.

You have three options for submitting your vote before the Annual Meeting:

Internet;  
Phone; or  
Mail.

We encourage you to vote promptly, even if you plan to participate in the Annual Meeting.

**Important Notice Regarding the Internet Availability of  
Proxy Materials for the  
Shareholder Meeting to be Held on May 18, 2016.  
The proxy statement and our 2015 annual report are  
available on our website at  
[www.macquarie.com/mic](http://www.macquarie.com/mic) under *Investor  
Center/Reports and Presentations* .**

By order of the board of directors,

Michael Kernan  
General Counsel and Secretary

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TABLE OF CONTENTS

# MACQUARIE INFRASTRUCTURE CORPORATION TABLE OF CONTENTS

	Page
<u>Voting Instruction and Information</u>	1
<u>Purpose of Meeting</u>	1
<u>Internet, Conference Call and Electronic Availability of Proxy Materials</u>	1
<u>Procedure for Participating and Voting at the Annual Meeting</u>	2
<u>Voting by Proxy</u>	2
<u>Revocation of Proxy</u>	3
<u>Approval of Proposals and Solicitation</u>	3
<u>Delivery of Documents to Shareholders Sharing an Address</u>	5
<u>Proposal 1: Election of Directors</u>	6
<u>Election of Directors</u>	6
<u>Recommendation of the Board</u>	7
<u>Proposal 2: Ratification of Selection of Independent Auditor</u>	8
<u>General</u>	8
<u>Fees</u>	8
<u>Pre-Approval Policies and Procedures</u>	9
<u>Recommendation of the Board</u>	9
<u>Proposal 3: Approval, on an Advisory Basis, of Executive Compensation</u>	10
<u>General</u>	10
<u>Recommendation of the Board</u>	10
<u>Proposal 4: Approval of the Macquarie Infrastructure Corporation 2016 Omnibus Employee Incentive Plan</u>	11
<u>Summary of the Plan</u>	11
<u>Type of Awards</u>	12
<u>U.S Federal Income Tax Implications of Awards</u>	15
<u>Recommendation of the Board</u>	17
<u>Governance Information</u>	18
<u>Board Leadership Structure</u>	18
<u>Our Board's Role in Risk Oversight</u>	18
<u>Compensation Risk Assessment</u>	19
<u>Board Composition and Independence</u>	19
<u>Certain Information Regarding Our Directors and Executive Officers</u>	20
<u>Executive Officers</u>	20
<u>Board Meetings and Committees; Annual Meeting Attendance</u>	20
<u>Compensation Committee Interlocks and Insider Participation</u>	22
<u>Director Retirement Policy</u>	22
<u>Executive Sessions of Our Board</u>	22
<u>Corporate Governance Guidelines and Code of Ethics and Conduct</u>	22
<u>Minimum Shareholding Guidelines</u>	23
<u>Majority Voting for Uncontested Director Elections</u>	23
<u>Nominations of Directors</u>	23
<u>Shareholder Nominations of Directors</u>	24

<u>Communications with Our Board</u>	<u>25</u>
<u>Director Compensation Fiscal Year 2015</u>	<u>26</u>
<u>Director Fees</u>	<u>26</u>
<u>2014 Independent Directors Equity Plan (2014 Plan)</u>	<u>27</u>

i

---

TABLE OF CONTENTS

	Page
<u>Compensation Discussion and Analysis</u>	<u>28</u>
<u>General</u>	<u>28</u>
<u>Objectives of Macquarie's Compensation Program</u>	<u>28</u>
<u>Responsibility for Macquarie's Compensation Program</u>	<u>29</u>
<u>2015 Say-on-Pay Advisory Vote</u>	<u>30</u>
<u>Elements of Macquarie's Compensation Program</u>	<u>30</u>
<u>Post-Termination Compensation and Benefits</u>	<u>34</u>
<u>Compensation Committee Report</u>	<u>35</u>
<u>Executive Compensation</u>	<u>36</u>
<u>Summary Compensation Table</u>	<u>36</u>
<u>Grants of Plan Based Awards in Fiscal Year 2015</u>	<u>38</u>
<u>Grants of Macquarie Restricted Share Units</u>	<u>38</u>
<u>Retained Cash Portion of Profit Share</u>	<u>39</u>
<u>Employment Agreements</u>	<u>39</u>
<u>Outstanding Equity Awards at 2015 Fiscal Year-End</u>	<u>39</u>
<u>Stock Vested in Fiscal Year 2015</u>	<u>40</u>
<u>Nonqualified Deferred Compensation in Fiscal Year 2015</u>	<u>41</u>
<u>Potential Payments on Termination or Change in Control</u>	<u>41</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>44</u>
<u>Audit Committee Report</u>	<u>46</u>
<u>Certain Relationships and Related Party Transactions</u>	<u>47</u>
<u>Related Party Transactions Policies</u>	<u>47</u>
<u>Our Relationship With the Macquarie Group</u>	<u>47</u>
<u>Contractual Arrangements With Our Manager</u>	<u>47</u>
<u>Other Services from the Macquarie Group</u>	<u>50</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>52</u>
<u>Shareholder Proposals for the 2017 Annual Meeting of Shareholders</u>	<u>52</u>
<u>United States Securities and Exchange Commission Reports</u>	<u>52</u>
<u>Other Matters</u>	<u>53</u>
<u>Annex A Macquarie Infrastructure Corporation 2016 Omnibus Employee Incentive Plan</u>	<u>A-1</u>
<b>Macquarie Infrastructure Corporation is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and its obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Infrastructure Corporation.</b>	

Macquarie Infrastructure Corporation is the successor to Macquarie Infrastructure Company LLC (MIC LLC) pursuant to the conversion (the Conversion) of MIC LLC from a Delaware limited liability company to a Delaware corporation on May 21, 2015. Except where the context indicates otherwise, MIC, we, us, and our refer (i) from and after the time of the Conversion, to Macquarie Infrastructure Corporation and its subsidiaries and (ii) prior to the Conversion, to the predecessor MIC LLC and its subsidiaries. References to shareholders refer to holders of (i) from and after the time of the Conversion, common stock and (ii) prior to the Conversion, LLC interests.

Macquarie Group or Macquarie refers to the Macquarie Group of companies, which comprises Macquarie Group Limited (MGL) and its worldwide subsidiaries and affiliates, including our Manager, Macquarie Infrastructure Management (USA) Inc.





TABLE OF CONTENTS

**MACQUARIE INFRASTRUCTURE CORPORATION**

**125 West 55<sup>th</sup> Street**

**New York, New York 10019**

**PROXY STATEMENT**

**for Annual Meeting of Shareholders on May 18, 2016**

**VOTING INSTRUCTION AND INFORMATION**

This Proxy Statement is furnished in connection with the solicitation of proxies by the board of directors of Macquarie Infrastructure Corporation, a Delaware corporation, for the Annual Meeting of Shareholders of Macquarie Infrastructure Corporation to be held on Wednesday, May 18, 2016 at 10:00 A.M. (Eastern Time). You can participate in the Annual Meeting online, vote your shares electronically and submit questions during the Meeting and for any subsequent adjournments or postponements of the 2016 Annual Meeting of Shareholders, by visiting [www.virtualshareholdermeeting.com/MIC16](http://www.virtualshareholdermeeting.com/MIC16). Be sure to have your 16-Digit Control Number to access the Annual Meeting. In addition, you may listen and submit your questions via conference call at 1-877-328-2502. Please note that you will not be able to vote your shares via conference call. The notice of Annual Meeting, proxy statement and proxy are first being distributed to shareholders on or about April 8, 2016.

**Purpose of Meeting**

As described in more detail in this proxy statement, shareholders will vote on the following proposals at the Annual Meeting:

- the election of directors eligible for election by our common stockholders to our board of directors to serve for a one-year term that expires at our 2017 Annual Meeting (Proposal 1);
- the ratification of the selection of KPMG LLP as our independent auditor for the fiscal year ending December 31, 2016 (Proposal 2);
- the approval, on an advisory basis, of executive compensation (Proposal 3);
- the approval of the Macquarie Infrastructure Corporation 2016 Omnibus Employee Incentive Plan (Proposal 4); and
- any other business as may be properly brought before the meeting.

**Internet, Conference Call and Electronic Availability of Proxy Materials**

As permitted by the Securities and Exchange Commission, or the SEC, we are sending a Notice of Internet Availability of Proxy Materials, or the Notice, to shareholders who hold shares in street name through a bank, broker or other holder of record. The Notice includes instructions on how to access this proxy statement and our 2015 annual report over the Internet or to request a printed set of these materials at no charge. The Notice also provides instructions on how to access your proxy card to be able to vote through the Internet or by telephone.

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We are either mailing or providing notice and electronic delivery of the proxy solicitation materials and our 2015 annual report at <https://materials.proxyvote.com/55608B> on or around April 8, 2016 to all shareholders entitled to vote at the Annual Meeting. Prior to the Annual Meeting, shareholders will be able to vote, as well as access these documents, at [www.proxyvote.com](http://www.proxyvote.com). At the Annual Meeting, shareholders will be able to participate, vote, access these documents and submit questions, by visiting [www.virtualshareholdermeeting.com/MIC16](http://www.virtualshareholdermeeting.com/MIC16) or listen and submit your questions via conference call at 1-877-328-2502. Please note that you will not be able to vote your shares via conference call.

Any beneficial owner may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. If you hold your shares through a bank, broker or another financial institution, please refer to the information provided by that entity for instructions on how to elect this option. Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents and will reduce the impact of our annual meetings on the environment. An election to receive proxy materials by mail or email will remain in effect until terminated.

TABLE OF CONTENTS

## Procedure for Participating and Voting at the Annual Meeting

The Company will be hosting the Annual Meeting live via the Internet. A summary of the information you need to participate in the Annual Meeting online is provided below:

any shareholder can participate in the Annual Meeting live via the Internet at [www.macquarie.com/mic](http://www.macquarie.com/mic) under Investor Center/Reports and Presentations ;

the webcast starts at 10:00 A.M. (Eastern Time), but access to the Annual Meeting will be available 15 minutes prior to such time and we encourage you to login during that period;

shareholders may vote and submit questions while participating in the Annual Meeting on the Internet;

please have your 16-Digit Control Number to enter the Annual Meeting;

instructions on how to participate via the Internet, including how to demonstrate proof of share ownership, are posted at [www.virtualshareholdermeeting.com/MIC16](http://www.virtualshareholdermeeting.com/MIC16); and

a webcast replay of the Annual Meeting will be available until December 31, 2016 at [www.macquarie.com/mic](http://www.macquarie.com/mic) under Investor Center/Reports and Presentations .

In addition, you may listen and submit your questions via conference call at 1-877-328-2502. Please note that you will not be able to vote your shares via conference call.

## Voting by Proxy

In addition to voting at the Annual Meeting as described above, shareholders can vote by proxy in any of the following ways before the Annual Meeting:

*By Internet.* You can use the Internet to transmit your voting instructions up until 11:59 P.M. (Eastern Time) the day before the Annual Meeting. Instructions for voting over the Internet can be found in the enclosed proxy card or the Notice.

*By Telephone.* The number for telephone voting can be found on the enclosed proxy card or the Notice. Please have your 16-Digit Control Number to vote by telephone. Telephone voting is available 24 hours a day.

*By Mail.* Complete, sign, date and return the proxy card supplied by your broker, bank or other financial institution through which you hold your shares.

**WE MUST RECEIVE YOUR PROXY BY NO LATER THAN 11:59 P.M. (EASTERN TIME) ON MAY 17, 2016. IF WE DO NOT RECEIVE YOUR PROXY BY THAT TIME, YOUR PROXY WILL NOT BE VALID. IN THIS CASE, UNLESS YOU ATTEND THE ANNUAL MEETING LIVE VIA THE INTERNET, YOUR VOTE WILL NOT BE REPRESENTED.**

The Internet and telephone voting procedures are designed to authenticate your identities, to allow you to give your voting instructions and to confirm that your instructions have been recorded properly. We have been advised that the Internet and telephone voting procedures that have been made available to you are consistent with the requirements of applicable law. When voting by Internet or telephone, you should understand that, while neither we nor any third party proxy service providers charge fees for voting by Internet or telephone, there may nevertheless be costs, such as usage charges from Internet access providers and telephone companies, which must be borne by you.

Your proxy will be voted as you direct in your proxy. Proxies returned without voting directions, and without specifying a proxy to participate in the Annual Meeting and vote on your behalf, will be voted in accordance with the recommendations of our board. Our board recommends:

a vote **FOR** each of the five nominees for director to serve for a one-year term that expires at our 2017 Annual Meeting (Proposal 1);

a vote **FOR** the ratification of the selection of KPMG LLP as the Company's independent auditor for the fiscal year ending December 31, 2016 (Proposal 2);

2

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## TABLE OF CONTENTS

a vote **FOR** the proposal to approve, on an advisory basis, of executive compensation (Proposal 3); and  
a vote **FOR** the proposal to approve the 2016 Omnibus Employee Incentive Plan (Proposal 4).

If any other matter properly comes before the Annual Meeting, your proxy will be voted on that matter by the proxy holders, in their discretion.

## **Revocation of Proxy**

You may revoke or change your proxy before the Annual Meeting by:

subsequently executing and mailing a new proxy card that is received on a later date and no later than the deadline specified on the proxy card;

subsequently submitting a new proxy by Internet or telephone that is received by the deadline specified on the proxy card;

giving written notice of revocation to the attention of Michael Kernan, General Counsel and Secretary, Macquarie Infrastructure Corporation, 125 West 55<sup>th</sup> Street, New York, New York 10019, that is received no later than 11:59 P.M. (Eastern Time) on May 17, 2016; or

voting on the Internet at our Annual Meeting.

If you need an additional proxy card and are a record holder, contact Michael Kernan, our General Counsel and Secretary, at 212-231-1849; if you are a beneficial owner, contact your bank, broker or other financial institution through which you hold your shares.

## **Approval of Proposals and Solicitation**

Each shareholder who owned shares of common stock on March 23, 2016, the record date for the determination of shareholders entitled to vote at the Annual Meeting, is entitled to one vote for each share. On March 23, 2016, we had 80,257,564 shares of common stock issued and outstanding that we believe were held by 270 holders of record representing approximately 56,000 beneficial holders.

## **Quorum**

Under the amended and restated bylaws of the Company, which we refer to as the bylaws, the holders of a majority of the voting power of the outstanding common stock entitled to vote, present in person or by proxy, shall constitute a quorum at a meeting of shareholders of the Company. Holders of shares of common stock as of the record date are the only shareholders entitled to vote at the Annual Meeting. Shares represented by proxies that are marked abstain or that are represented by broker non-votes will be counted as present for purposes of determining the presence of a quorum.

A broker non-vote occurs when the broker holding shares for a beneficial owner does not vote on a particular proposal

because the broker does not have discretionary voting power to vote on that proposal without specific voting instructions from the beneficial owner. Proposal 2 described in this proxy is a discretionary item. Proposals 1, 3 and 4 described in this proxy statement are non-discretionary items.

If the persons present in person or by proxy at the Annual Meeting do not constitute a majority of the voting power of the outstanding common stock entitled to vote as of the record date, we will adjourn or postpone the Annual Meeting to a later date.

## Approval of Proposals

*Election of Directors.* For the election of directors (Proposal 1), the affirmative vote of a majority of the votes cast is required. You may vote **FOR** or **AGAINST** any or all director nominees or you may **ABSTAIN** from voting as to one or more director nominees. Abstentions and broker non-votes will not be counted as votes cast.

3

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## TABLE OF CONTENTS

*Ratification of the Appointment of the Independent Auditor.* For the ratification of the independent auditor (Proposal 2), the affirmative vote of at least a majority of shares represented at the meeting in person or by proxy is required.

You may vote **FOR** or **AGAINST** or you may **ABSTAIN** from the ratification of the independent auditor. An abstention will have the effect of a negative vote on this matter.

*Approval, on an Advisory Basis, of Executive Compensation.* For the approval, on an advisory basis, of executive compensation (Proposal 3), the affirmative vote of at least a majority of shares represented at the meeting in person or by proxy is required. You may vote **FOR** or **AGAINST** or you may **ABSTAIN** from the advisory vote on executive compensation. An abstention will have the effect of a negative vote on this matter. A broker non-vote will not be counted as present for purposes of calculating the voting results on this matter.

*Approval of the 2016 Omnibus Employee Incentive Plan.* For the approval of the 2016 Omnibus Employee Incentive Plan (Proposal 4), the affirmative vote of at least a majority of shares represented at the meeting in person or by proxy is required. You may vote **FOR** or **AGAINST** or you may **ABSTAIN** from the approval on the 2016 Omnibus Employee Incentive Plan. An abstention will have the effect of a negative vote on this matter. A broker non-vote will not be counted as present for purposes of calculating the voting results on this matter.

*Other Matters.* Any other proposal that properly comes before the Annual Meeting must be approved by the affirmative vote of at least a majority of the votes represented at the meeting in person or by proxy in order to pass.

All votes will be tabulated by Broadridge Financial Services, the proxy tabulator and inspector of election appointed for the Annual Meeting. Broadridge Financial Services will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

## **Ensuring Your Vote Counts**

Under rules of the New York Stock Exchange, or NYSE, if you are a beneficial owner and hold your shares in street name, **you must** give your bank, broker or other holder of record specific voting instructions for your shares by the deadline provided in order to ensure your shares are voted in the way you would like.

If you do not provide voting instructions to your bank, broker or other holder of record, whether your shares can be voted by such person depends on the type of item being considered for vote.

*Non-Discretionary Items.* Proposal 1, the election of directors, Proposal 3, the approval, on an advisory basis, of executive compensation and Proposal 4, the approval of the 2016 Omnibus Employee Incentive Plan, are non-discretionary items **and may not** be voted on by brokers, banks or other holders of record who have not received specific voting instructions from beneficial owners. If you do not provide specific voting instructions, your shares will be recorded as a broker non-vote and **will not** be counted as a vote cast or as present for purposes of calculating voting results.

*Discretionary Item.* Proposal 2, the ratification of the appointment of the independent auditor, is a discretionary item and brokers, banks or other holders of record can vote your shares on the ratification of the independent auditor in their discretion unless they receive specific voting instructions from you.



## **Solicitation of Proxies**

We will bear the cost of the solicitation of proxies, including the preparation, printing and mailing of this proxy statement and the proxy card. In addition to the solicitation of proxies by mail, solicitation may be made by certain employees of the Macquarie Group by telephone, telecopier or other means. These employees will receive no additional compensation for such solicitation. The Company will reimburse brokers and other nominees for costs incurred by them in mailing proxy materials to beneficial holders in accordance with the rules of the NYSE.

4

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TABLE OF CONTENTS

## **Delivery of Documents to Shareholders Sharing an Address**

If you are the beneficial owner, but not the record holder, of shares, the broker, bank or other financial institution through which you hold your shares may only deliver one copy of this proxy statement and our 2015 annual report to multiple shareholders who share an address unless that nominee has received contrary instructions from one or more of the shareholders. We will deliver promptly, upon written or oral request, to a shareholder at a shared address to which a single copy of the documents was delivered a copy of this proxy statement and our 2015 annual report. A shareholder who wishes to receive a separate copy of the proxy statement and annual report, now or in the future, should submit this request by writing to Macquarie Infrastructure Corporation, Attn: Investor Relations 125 West 55<sup>th</sup> Street, New York, NY 10019, or by calling 212-231-1825. If you are a beneficial owner and would like to receive a separate copy of this proxy statement and our 2015 annual report, please contact the broker, bank or other financial institution through which you hold your shares. Beneficial owners sharing an address who are receiving multiple copies of proxy materials and annual reports and who wish to receive a single copy of such materials in the future will also need to contact their broker, bank or other financial institution to request that only a single copy of each document be mailed to all shareholders at the shared address in the future.

TABLE OF CONTENTS

# PROPOSAL 1: ELECTION OF DIRECTORS

## Election of Directors

Five directors are eligible to be elected by our shareholders at this Annual Meeting and will serve a term that expires at our 2017 Annual Meeting. Each of Messrs. Brown, Carmany, Lentz and Webb and Ms. Sananikone has been nominated for re-election.

The following biographies highlight the specific skills, qualifications and experience of the directors nominated for election, and support the nomination and governance committee's determination that these individuals are particularly qualified to serve on our board. The five nominees for election at the Annual Meeting are as follows.

**Norman H. Brown, Jr.** has served as a director of the Company since December 2004. He currently serves as a Member and Senior Managing Director of Brock Capital Group LLC, which provides investment banking services for early stage and middle market companies, a position he has held since December 2003. Mr. Brown's previous experience comprises over 30 years of experience in the investment banking business. During 2002 and 2003, Mr. Brown attended to private investments. From December 2000 to December 2001, he was Managing Director and Senior Advisor for Credit Suisse First Boston in the Global Industrial & Services Group with new business development responsibility for Latin America. During Mr. Brown's 15 years at Donaldson, Lufkin & Jenrette Securities Corporation, from June 1985 to December 2000, he was a member of the Mergers & Acquisitions Group, established and headed the Restructuring Group, and headed the Global Metals & Mining Group. Until December 2009, Mr. Brown was the lead independent director for W.P. Stewart & Co. Growth Fund, Inc.

Mr. Brown brings in-depth knowledge of financial markets and broad leadership experience to our board of directors, through his long tenure in the financial industry. His prior work and expertise in mergers and acquisitions and debt restructurings has allowed him to provide valuable advice on our past acquisitions and our efforts to strengthen our balance sheet. Mr. Brown's experience as an independent director and lead director for other companies provides him with unique insight on corporate governance matters, which he has shared with the Company.

**George W. Carmany, III** has served as a director of the Company since December 2004. Since 1995, he has served as President of G.W. Carmany and Co., Inc., which advises developing companies in the life sciences and financial services industries. Mr. Carmany is a Senior Advisor to EnGeneIc Ltd., Essex Woodlands, and served in a similar capacity with Brown Brothers Harriman and Co. until 2014. In 2010, he retired as a director of SunLife Financial, Inc. He is a director of Remedy Partners, LLC and is a member of the advisory committee on health care policy of the Harvard Medical School. From 1999 to 2001, he served as Chairman and Chief Executive of Helicon Therapeutics and continued to serve as Chairman of Helicon Therapeutics through August 2005. From 1996 to 1997, he also served as Chairman of the New England Medical Center Hospitals. Mr. Carmany's previous experience includes over 20 years at the American Express Company, where he held senior positions in its international banking, corporate and asset management divisions, and nine years at Bankers Trust Company.

Mr. Carmany is an experienced executive, and he adds an important dimension to our board's expertise through his considerable financial literacy and his work in advising developing companies. Mr. Carmany's experience and background allows him to provide oversight and advice on financial reporting and accounting matters. As an advisor to developing companies, Mr. Carmany encounters and advises on a range of business, legal, risk management and financial issues. This experience has been valuable as our board has worked with our management team to address

issues and manage risks arising out of the financial crisis and the slow economic recovery.

***H.E. (Jack) Lentz*** has served as a director of the Company since August 2011. He also serves on the boards of Carbo Ceramics Inc. (since 2003), Peabody Energy Corporation (since 1998) and WPX Energy, Inc. (since 2012). He is a member of the audit committee and chair of the compensation committee of Carbo Ceramics Inc. and a member of the compensation committee of WPX Energy, Inc. From March 2009 until May 2011, Mr. Lentz was a Managing Director at Lazard Freres & Co. Between September 2008 and March 2009, he was a Managing Director at Barclays Capital. From 1993 until September 2008, he was a

TABLE OF CONTENTS

Managing Director at Lehman Brothers, where he headed the natural resources group (1993 – 1997) and was active in merchant banking. From 1988 to 1993, he was the Vice Chairman of Wasserstein Perella & Co. and head of its energy group. He started his career at Lehman Brothers in 1971.

Mr. Lentz is an experienced banker and board member with broad experience in the natural resources and energy industries, both of which are traditional infrastructure sectors. That experience allows him to inform our board on a wide range of governance, financial and operational issues, especially as they relate to the operations of our energy businesses, and the development of the Company's strategic direction.

***Ouma Sananikone*** has served as a director of the Company since February 2013. Ms. Sananikone currently serves as a non-executive director of the Caisse de Depot et Placement de Quebec in Canada (since 2007), as well as Icon Parking (since 2006) in the USA. She was also a non-executive director of Moto Hospitality Services (from 2006 to 2009) and Air Serv Holdings (from 2006 to 2013). She was previously Chairman of Smarte Carte from 2007 to 2010 and of EvolutionMedia from 2003 to 2005. She also acted as Australian Financial Services Fellow for the USA on behalf of Invest Australia from 2005 to 2008.

Ms. Sananikone served as director of State Super Corporation of NSW (Australia) from 2002 to 2005 and as a director of Babcock and Brown Direct Investment Fund (Australia) from 2002 to 2005. In addition, she was previously a Managing Director with responsibility for Corporate Strategy and Development at BT Financial Group, part of Westpac Banking Group from 2002 to 2003, and the Chief Executive Officer of Aberdeen Asset Management (Australia) Ltd, a division of Aberdeen Asset Management PLC from 2000 to 2001. From 1994 to 2000, Ms. Sananikone held senior positions at EquitiLink Group, which was later acquired by Aberdeen Asset Management PLC.

Ms. Sananikone is an experienced senior investment executive and board member with broad international experience in infrastructure industries and consortium arrangements. That experience allows her to inform our board on a wide range of governance, financial and operational issues, especially as they relate to the operations of our infrastructure businesses.

***William H. Webb*** has served as a director of the Company since December 2004. He served as a member of the board of directors of Pernod Ricard S.A. from May 2003 until November 2009. Mr. Webb's previous experience includes over 35 years in managing businesses of the Philip Morris group (now comprising Altria Group, Inc., Philip Morris International Inc. and Kraft Foods Inc. following the spin-off of Kraft Foods and Philip Morris International from the Altria Group) around the world. Mr. Webb was Chief Operating Officer for Philip Morris Companies Inc. in New York between May 1997 and August 2002. He also served as Vice Chairman of the board of directors of Philip Morris from August 2001 to August 2002. Mr. Webb has been a consultant to the Altria Group following his retirement from Philip Morris in August 2002, until October 2005.

Mr. Webb's experience in senior management and on the boards of large public companies allows him to participate meaningfully in overseeing our Manager's activities and in providing useful advice to our management team. His role as a director of other public companies allows him to inform our board as to corporate governance issues and trends and to act as an effective lead independent director for the Company. Mr. Webb uses his management experience to help our board and management fashion our business strategy, identify risks and oversee risk management and address key challenges, including a continuing focus on cost management.

## Recommendation of the Board

Our board recommends that you vote **FOR** the election of each of Messrs. Brown, Carmany, Lentz and Webb and Ms. Sananikone to our board as directors for a term ending at our 2017 Annual Meeting. The affirmative vote of a majority of the votes cast is required to elect each of Messrs. Brown, Carmany, Lentz and Webb and Ms. Sananikone (that is, the number of votes cast for the nominee must exceed the number of votes cast against the nominee). A nominee who fails to receive the required vote will tender his or her resignation, and the board of directors will determine whether to accept or reject such resignation, or what other action should be taken, within 90 days from the date of the certification of elections results, following receipt of a recommendation from the nominating and corporate governance committee.

7

---

TABLE OF CONTENTS

# PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR

## General

Our board has recommended and asks that you ratify the selection of KPMG LLP as our independent auditor for the Company for the fiscal year ending December 31, 2016. You would be so acting based on the recommendation of our audit committee.

KPMG LLP was engaged by us following our initial public offering in December 2004 to audit our annual financial statements for the 2004 fiscal year and was appointed by our audit committee and ratified by shareholders to audit our annual financial statements for each subsequent fiscal year. Based on its past performance during these audits, the audit committee of the board has selected KPMG LLP as our independent auditor to perform the audit of our financial statements and our internal control over financial reporting for 2016. KPMG LLP is a registered public accounting firm.

The affirmative vote of a majority of the shares represented at the meeting in person or by proxy is required to ratify the appointment of KPMG LLP. If you do not ratify the selection of KPMG LLP, our audit committee will reconsider its selection of KPMG LLP and may, but is not required to, make a new proposal for an independent auditor.

Representatives of KPMG LLP are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so and will be available to respond to questions.

## Fees

The chart below sets forth the total amount paid or payable by us to KPMG LLP in connection with the audit of our consolidated financial statements for the years indicated below and the total amounts billed to us by KPMG LLP for other services performed in those years, breaking down these amounts by category of service:

	2015	2014
Audit Fees <sup>(1)</sup>	\$ 3,977,000	\$ 3,048,850
Audit-Related Fees <sup>(2)</sup>	490,775	449,000
All Other Fees <sup>(3)</sup>		307,000
<b>Total</b>	<b>\$ 4,467,775</b>	<b>\$ 3,804,850</b>

Audit Fees are fees paid to KPMG LLP for professional services for the audit of our consolidated financial statements included in our annual reports on Form 10-K and the audit of our internal control over financial reporting, as well as the review of financial statements included in our quarterly reports on Form 10-Q. The amounts for 2015 include the audit of internal controls over financial reporting at IMTT and the audits related to acquisitions within the Contracted Power and Energy business segment.

(2) Audit-Related Fees are fees billed by KPMG LLP for assurance and related services that are related to the performance of the audit or review of our financial statements, including in connection with attestation reports on

fees paid to our Manager and in connection with our operating businesses. Audit-Related Fees also includes comfort letters and consents in connection with equity and debt offerings.

- (3) All Other Fees are fees billed by KPMG LLP related to due diligence services in connection with the IMTT Acquisition for the year ended December 31, 2014.

8

---



TABLE OF CONTENTS

## **Pre-Approval Policies and Procedures**

The audit committee has established policies and procedures for its appraisal and approval of audit and non-audit services. The audit committee has the sole authority to pre-approve any audit and non-audit services to be provided by any registered public accounting firm. The audit committee has delegated to the chairman of the committee the authority to approve additional audit and non-audit services of KPMG LLP and any additional accounting firms. The delegation is limited to an aggregate of \$50,000 in fees at any one time outstanding and not ratified by the audit committee, and confirmation of compliance with independence standards. The audit committee or its chairman has pre-approved all of the services provided by KPMG LLP since its engagement. All other audit-related, tax and other engagements may be approved by the audit committee prospectively.

In making its recommendation to ratify the selection of KPMG LLP as our independent auditor for the fiscal year ending December 31, 2016, the audit committee has considered whether the services provided by KPMG LLP are compatible with maintaining the independence of KPMG LLP and has determined that such services do not interfere with KPMG LLP's independence.

## **Recommendation of the Board**

Our board recommends that, based on the recommendation of the audit committee, you vote **FOR** the ratification of the selection of KPMG LLP to serve as the independent auditor for the Company for the fiscal year ending December 31, 2016.

TABLE OF CONTENTS

# **PROPOSAL 3: APPROVAL, ON AN ADVISORY BASIS, OF EXECUTIVE COMPENSATION**

## **General**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables our shareholders to vote to approve, on an advisory (nonbinding) basis, the compensation of our named executive officers. Accordingly, and pursuant to Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), our board has recommended and asks that you approve, on an advisory basis, the compensation of our named executive officers, as described in the Compensation Discussion and Analysis section and the compensation tables and related narrative disclosure on pages 28 - 43 of this proxy statement. Unless the board determines otherwise, the next such vote will be held at the Company's 2017 Annual Meeting of shareholders.

This proposal, commonly known as a say-on-pay proposal, gives our shareholders the opportunity to express their views on our named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers.

As described in detail under the headings Compensation Discussion and Analysis - General and Compensation Discussion and Analysis - Objectives of Macquarie's Compensation Program, the Company has a management services agreement with our Manager, a member of the Macquarie Group. Our Manager is responsible for the conduct of our Company's day-to-day business and affairs and is entitled to receive base management fees and potentially performance fees for the provision of its services. The Macquarie employees who serve as our named executive officers have been seconded to us by our Manager on a full-time basis and we do not pay any compensation to them. Under our management services agreement, the services performed for the Company by our Manager are provided at our Manager's expense, including all of the compensation of our named executive officers. The elements of the compensation program for our named executive officers derive from the general program established for employees of Macquarie. Macquarie's approach is designed to drive shareholder returns over the short and long term, both for Macquarie shareholders as well as for shareholders of the entities managed by Macquarie, such as holders of our shares. Macquarie's compensation program endeavors to drive shareholder returns while managing risk in a prudent fashion by focusing on two main objectives: aligning the interests of staff and shareholders and attracting and retaining high-quality staff.

At our 2015 Annual Meeting, shareholders expressed support for our named executive officer compensation, with approximately 99.6% of the votes approving, on an advisory basis, our executive compensation for fiscal 2014. We are asking our shareholders to indicate their support for our named executive officer compensation for fiscal 2015 as described on pages 28 - 43 of this proxy statement. This vote is advisory and, therefore, will not affect the existing compensation or be binding on our Company or our Manager. However, our Company values the opinions of our shareholders and will carefully consider, and will inform our Manager of, the outcome of this vote.

The following resolution is submitted for a shareholder vote at the Annual Meeting:

RESOLVED, that the shareholders of the Company approve, on a non-binding advisory basis, the compensation of the Company's named executive officers as disclosed in the proxy statement for the 2016 Annual Meeting pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis section and the compensation tables and

related narrative discussion set forth in such proxy statement.

## **Recommendation of the Board**

Our board recommends that you vote **FOR** the approval, on an advisory basis, of the compensation of our named executive officers as disclosed in this proxy statement.

10

---

TABLE OF CONTENTS

# **PROPOSAL 4**

## **APPROVAL OF THE MACQUARIE INFRASTRUCTURE CORPORATION**

### **2016 OMNIBUS EMPLOYEE INCENTIVE PLAN**

On March 31, 2016, upon the recommendation of our compensation committee, our Board of Directors unanimously approved the adoption of the Macquarie Infrastructure Corporation 2016 Omnibus Employee Incentive Plan (the Plan), subject to approval by our shareholders at the 2016 Annual Meeting. This is the first equity incentive plan for employees adopted by the Company. The Company does not presently have any such plan in place. The Plan will be effective on May 18, 2016 if it is approved by our shareholders at the 2016 Annual Meeting. If the Plan is not approved by shareholders, no awards will be made under the Plan and the Plan will be null and void in its entirety.

A vote to approve the Plan will include approval of the material terms of the performance goals under which compensation may be paid under the Plan for purposes of Section 162(m) the Internal Revenue Code of 1986, as amended (the Code) which includes (a) the individuals eligible to receive awards under the Plan (as described under Eligibility below), (b) the business criteria on which the performance goal may be based (as listed under Performance Goals below) and (c) the maximum awards that may be made to any individual participant under the Plan for any year (as described under Maximum Awards below). The material terms of the performance goals must be disclosed to and reapproved by our shareholders at least every five years for the Company to continue to make awards of qualified performance-based compensation under the Plan that are tax deductible without regard to the limitations otherwise imposed by Section 162(m) of the Code (as described under Federal Income Tax Implications of Awards below).

The Plan provides for the issuance of equity-based awards covering up to five hundred thousand (500,000) shares of our common stock. In addition, the Plan includes a number of provisions designed to protect shareholder interests and appropriately reflect our compensation philosophy and developments in our compensation practices in recent years, and includes a minimum vesting schedule; a double-trigger change in control provision (as a default); and a clawback provision.

Our board of directors believes that the 500,000 shares available for grant under the Plan would provide sufficient shares for equity-based compensation needs of the Company for approximately five (5) years following the date the Plan becomes effective. These shares represent less than 1% of the diluted shares of our common stock outstanding as of March 31, 2016.

The following summary of the material terms of the Plan is qualified in its entirety by reference to the complete text of the Plan, which is attached hereto as Annex A.

## **Summary of the Plan**

### **Overview**

The purpose of the Plan is to attract, retain and motivate employees (including prospective employees), consultants and others who may perform services for the Company or its subsidiaries, to compensate them for their contributions to our long-term growth and profits and to encourage them to acquire a proprietary interest in the success of the

Company.

## **Administration**

Our compensation committee will administer the Plan. Among other things, the compensation committee will determine the persons who will receive awards under the Plan, the time when awards will be granted, the terms of the awards and the number of shares of our common stock subject to the awards. The compensation committee may allocate among its members and/or delegate to any person who is not a member of the compensation committee or to any administrative group within the Company, any of its powers, responsibilities and duties. Our board of directors, in its sole discretion, also may grant awards or administer the Plan.

## **Eligibility**

Awards may be made to employees and prospective employees of the Company or any of its subsidiaries and any individual or any entity that is permitted to be issued securities under a registration statement on Form S-8 that provides bona fide consulting or advisory services to the Company or any of its subsidiaries

## TABLE OF CONTENTS

pursuant to a written agreement. Awards may not be made to (i) an individual seconded from our Manager that performs services for the Company or any of its subsidiaries, (ii) any member of our board of directors, or (iii) our Manager or its affiliates.

## **Common Stock Available for Awards under the Plan**

Subject to adjustment as described below, the total number of shares of our common stock that may be subject to awards granted under the Plan is five hundred thousand (500,000) shares. Shares of our common stock issued in connection with awards that are assumed, converted or substituted as a result of the Company's acquisition of another company will not count against the number of shares that may be granted under the Plan. Shares of our common stock underlying the awards will be available for reissuance under the Plan in the event that an award is forfeited, expires, terminates or otherwise lapses without delivery of our common stock. The share reserve shall not be reduced to the extent that a distribution pursuant to an award is made in cash.

Shares of our common stock underlying the awards will not become available for reissuance under the Plan if the shares are withheld by the Company to pay taxes, are withheld by or tendered to the Company to pay the exercise price of stock options, are repurchased from an optionee by the Company with proceeds from the exercise of stock options or are shares underlying stock appreciation rights that are not issued upon exercise due to net settlement of stock appreciation rights.

## **Maximum Awards**

Shares issued under the Plan may be authorized but unissued shares of our common stock or authorized and previously issued shares of our common stock reacquired by the Company. No individual will receive awards of stock options or stock appreciation rights covering, in either case, more than 50,000 shares (subject to adjustment as described below) in any one fiscal year. The maximum number of shares of common stock to which restricted stock, restricted stock units, dividend equivalent rights and other types of stock-based or stock-related awards, that are, in each case, subject to the achievement of the performance goals described in the Plan, that may be granted in the aggregate under the Plan to any one individual may not exceed 50,000 shares (subject to adjustment as described below) in any one fiscal year. The maximum dollar limit for cash-based awards that may be granted under the Plan to any one individual in any one fiscal year may not exceed \$2,000,000.

The compensation committee will adjust the terms of any outstanding award, the number of shares of our common stock issuable under the Plan and the limit on the number of shares subject to awards in any one fiscal year, in such manner as it deems appropriate (including, without limitation, by payment of cash) to prevent the enlargement or dilution of rights, or otherwise as it deems appropriate, for any increase or decrease in the number of issued shares of our common stock (or issuance of share of stock other than shares of our common stock) resulting from a recapitalization, stock split, reverse stock split, stock dividend, spinoff, splitup, combination, reclassification or exchange of shares of our common stock, merger, consolidation, rights offering, separation, reorganization, liquidation, or any other change in the corporate structure or shares of our common stock, including any extraordinary dividend or extraordinary distribution.

The market value of our common stock on the record date (based upon the closing price on the NYSE) was \$63.68 per share.

## Types of Awards

The Plan provides for grants of stock options (both stock options intended to be incentive stock options under Section 422 of the Code and non-qualified stock options), stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, cash-based awards and other stock-based or stock-related awards (including performance awards) pursuant to which our common stock, cash or other property may be delivered. Grantees of stock options and stock appreciation rights will be required to continue to provide services to the Company or its subsidiaries for not less than one-year following the date of grant in order for any such stock options and stock appreciation rights to fully or partially vest or be exercisable (other than in case of death, disability or a change in control), provided that up to five (5) percent of the available shares of our common stock authorized for issuance under the Plan may provide for vesting

12

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TABLE OF CONTENTS

of stock options and stock appreciation rights, partially or in full, in less than one-year. Each award will be evidenced by an award agreement, which will govern that award's terms and conditions.

**Stock Options.** A stock option entitles the recipient to purchase shares of our common stock at a fixed exercise price. The exercise price per share will be determined by the compensation committee but will not be less than 100% of the fair market value of our common stock on the date of grant. Fair market value will generally be the closing price of our common stock on the NYSE on the date of grant. Stock options generally must be exercised within 10 years from the date of grant. Except in connection with an equitable adjustment or a change in control, the compensation committee shall not without the approval of our shareholders lower the exercise price of an option after it is granted, cancel an underwater option in exchange for cash or another award, or take any other action that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the our shares of common stock are listed.

**Stock Appreciation Rights.** A stock appreciation right entitles the recipient to receive shares of our common stock, cash or other property equal in value to the appreciation of the our common stock over the stated exercise price. The exercise price per share will be determined by the compensation committee but will not be less than 100% of the fair market value of our common stock on the date of grant. Fair market value will generally be the closing price of our common stock on the NYSE on the date of grant. Stock appreciation rights must be exercised within 10 years from the date of grant. Except in connection with an equitable adjustment or a change in control, the compensation committee shall not without the approval of our shareholders lower the exercise price of an stock appreciation right after it is granted, cancel an underwater stock appreciation right in exchange for cash or another award, or take any other action that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the our shares of common stock are listed.

**Restricted Stock.** Restricted stock consists of shares of our common stock that are registered in the recipient's name, but that are subject to transfer and/or forfeiture restrictions for a period of time. The compensation committee may grant or offer for sale shares of restricted stock in such amounts, and subject to such terms and conditions, as the compensation committee may determine. The terms and conditions set forth by the compensation committee in the applicable award agreement may relate to vesting and nontransferability restrictions that will lapse upon the achievement of one or more goals related to the completion of service by the grantee or the achievement of performance goals. Subject to such limits as the compensation committee may determine from time to time, the recipient will have the same voting and dividend rights as our other shareholders.

**Restricted Stock Units.** A restricted stock unit is an unfunded, unsecured right to receive a share of our common stock, cash or other property at a future date. The compensation committee may grant restricted stock units in such amounts, and subject to such terms and conditions, as the compensation committee may determine. The terms and conditions set forth by the compensation committee in the applicable award agreement may relate to vesting and nontransferability restrictions that will lapse upon the achievement of one or more goals related to the completion of service by the grantee or the achievement of performance goals. The recipient will have only the rights of a general unsecured creditor of the Company and no rights as a shareholder of the Company until our common stock underlying the restricted stock units, if any, is delivered.

**Dividend Equivalent Rights.** The compensation committee may, in its discretion, include in the award agreement a dividend equivalent right entitling the recipient to receive an amount equal to all or any portion of the regular cash dividends that would be paid on the shares of our common stock covered by such award as if such shares had been delivered. Dividend equivalent rights may be payable in cash, shares of our common stock or other property as determined by the compensation committee. In no event will dividend equivalent rights with respect to any award subject to satisfaction of performance goals be payable prior to satisfaction of such performance goals.



**Cash-Based Awards.** The compensation committee may grant cash-based awards based upon the achievement of one or more performance goals in such amounts and subject to such terms and conditions as the Committee may determine.

## TABLE OF CONTENTS

**Other Stock-Based Awards.** The compensation committee may grant other types of stock-based or stock-related awards, including the grant of unrestricted shares of our common stock in such amounts, and subject to such terms and conditions, as the compensation committee may determine. The terms and conditions set forth by the compensation committee in the applicable award agreement may relate to vesting and nontransferability restrictions that will lapse upon the achievement of one or more goals related to the completion of service by the grantee or the achievement of performance goals.

## **Performance Goals**

Performance goals applicable to an award may provide for a targeted level or levels of achievement using certain Company or individual performance measures as determined by the compensation committee. The performance goals may differ from grantee to grantee and from award to award. Any criteria used may be measured in absolute terms or relative to comparative companies. Such performance goals may include, but are not limited to: earnings; earnings per share; earnings before or after deduction for all or any portion of interest, taxes, depreciation and amortization; revenue; profits; profit growth; profit-related return ratios; return on capital, assets, equity, or investment; cost management; dividend payout ratios; market share; economic value added; cash flow; free cash flow; operating cash flow; stock price; total shareholder return; book value per share; net interest margin; working capital; expense targets; operating efficiency; asset quality; enterprise value; employee retention; asset growth; dividend yield; or other measures of performance that include one or more variations of the foregoing that are selected by the compensation committee. Any performance goals that are financial metrics, may be determined in accordance with United States Generally Accepted Accounting Principles (GAAP), or may be adjusted when established to include or exclude any items otherwise includable or excludable under GAAP. The compensation committee shall have the authority to make adjustments to the performance goals in recognition of unusual or non-recurring events affecting our financial statements, or in response to changes in applicable laws, or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles. The compensation committee may make adjustments to the performance goals for the following non-exhaustive reasons: restructurings, discontinued operations, asset write-downs, significant litigation or claim judgments or settlements, acquisitions, divestitures, a reorganization or change in our corporate structure, foreign exchange gains and losses, a change in the fiscal years, business interruption events, unbudgeted capital expenditures, unrealized investment gains and losses and impairments. The performance goals may be applied either individually, alternatively or in any combination to the Company or a subsidiary, on a consolidated or individual company basis, or on a division, entity, line of business, project or geographical basis, either individually, alternatively or in any combination, as determined by the compensation committee, in its discretion.

## **Change in Control**

Unless otherwise determined by the compensation committee (or unless otherwise provided in the applicable award agreement or in an employment agreement), if a grantee's employment is terminated by the Company or any successor entity thereto without cause, (as defined in the Plan), within two years after a change in control, as defined in the Plan, each award granted to such grantee prior to such change in control shall become fully vested (including the lapsing of all restrictions and conditions) and, as applicable, exercisable as of the date of such termination of employment, and any shares of common stock deliverable pursuant to restricted stock units shall be delivered promptly (but no later than 15 days) following such grantee's termination of employment, *provided that*, all performance-based awards shall be (x) considered to be earned and payable based on achievement of performance goals or based on target performance (either in full or pro rata based on the portion of performance period completed as of the date of the change in control), and any limitations or other restrictions shall lapse and such performance-based awards shall be

immediately settled or distributed or (y) converted into restricted stock or restricted stock unit awards based on achievement of performance goals or based on target performance (either in full or pro rata based on the portion of performance period completed as of the date of the change in control).

Notwithstanding anything in the previous paragraph to the contrary, in the event of a change in control, the compensation committee may cancel awards for in-the-money spread value for stock options and stock appreciation rights and for fair value for other awards (as determined in the sole discretion of the compensation committee), provide for the issuance of substitute awards or provide that for a period of at least

TABLE OF CONTENTS

20 days prior to the change in control, stock options or stock appreciation rights will be exercisable as to all shares of common stock subject thereto and that any stock options or stock appreciation rights not exercised prior to the consummation of the change in control will terminate and be of no further force or effect as of the consummation of the change in control.

## **U.S. Federal Income Tax Implications of Awards**

The following is a brief description of the U.S. federal income tax consequences generally arising with respect to the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, cash-based awards and dividend equivalent rights. This summary is not intended to (and does not) constitute tax advice to recipients of awards and is not intended to be exhaustive and, among other things, does not describe state, local or foreign tax consequences. Recipients are advised to consult with their own independent tax advisors with respect to the specific tax consequences that, in light of their particular circumstances, might arise in connection with their receipt of awards under the Plan, including any state, local or foreign tax consequences and the effect, if any, of gift, estate and inheritance taxes.

*Stock Options and Stock Appreciation Rights.* The grant of a stock option or stock appreciation right will create no tax consequences for the recipient or the Company at the grant date. A recipient will generally not recognize taxable income upon exercising an incentive stock option except that the alternative minimum tax may apply (depending on the recipient's individual circumstances). Upon exercising a stock option (other than an incentive stock option) or stock appreciation right, the recipient will recognize ordinary income equal to the excess of the fair market value of the freely transferable and nonforfeitable common stock (and/or cash or other property) acquired on the date of exercise over the exercise price, and will be subject to FICA (Social Security and Medicare) taxation in respect of such amounts.

If a recipient holds the common stock acquired under the incentive stock option for at least two years from the grant date and one year from the exercise date (the Required Holding Period), any gain or loss realized by the recipient upon the subsequent disposition of such common stock will be taxed as long-term capital gain or loss, and such amounts will not be subject to FICA taxation. Upon a disposition of common stock acquired upon exercise of an incentive stock option before the end of the Required Holding Period, the recipient generally will recognize ordinary income equal to the lesser of (i) the excess of the fair market value of the common stock at the date of exercise of the incentive stock option over the exercise price, or (ii) the amount realized upon the disposition of the incentive stock option common stock over the exercise price. Otherwise, a recipient's disposition of common stock acquired upon the exercise of a stock option (including an incentive stock option for which the Required Holding Period is met) or stock appreciation right generally will result in short-term or long-term capital gain or loss measured by the difference between the sale price and the recipient's tax basis in such common stock (the tax basis in stock option common stock generally being the exercise price plus any amount recognized as ordinary income in connection with the exercise of the stock option, although special rules may apply if the exercise price is paid in previously acquired common stock).

*Restricted Stock.* Generally, the recipient of an award of restricted stock will not recognize ordinary income or be subject to FICA taxation at grant unless the award is vested at grant. Instead, the recipient generally will recognize ordinary income when the restricted stock becomes vested, equal to the excess, if any, of the fair market value of the common stock on the date it becomes vested over any amount paid by the recipient in exchange for the common stock (and such excess will be subject to FICA taxation). A recipient may, however, file an election with the Internal Revenue Service, within 30 days of his or her receipt of the award, to recognize ordinary income, as of the grant date, equal to the excess, if any, of the fair market value of the common stock on the grant date over any amount paid by the recipient in exchange for the common stock. The recipient's basis for determining gain or loss upon the subsequent

disposition of common stock acquired pursuant to the award will be the amount paid for the common stock plus any ordinary income recognized either when the common stock is received or when the common stock becomes vested. Upon the disposition of any common stock received pursuant to the award, the difference between the sales price and the recipient's basis in the common stock will be treated as a capital gain or loss and generally will be characterized as long- or short-term depending on the period the recipient held such common stock after the vesting date.

## TABLE OF CONTENTS

*Restricted Stock Units.* A recipient of a restricted stock unit (whether time-vested or subject to achievement of performance goals) will not recognize ordinary income or be subject to FICA taxation at grant (unless the restricted stock unit is vested at grant, in which case FICA taxation applies at grant). Instead, a recipient will be subject to FICA taxation at the time any portion of such award vests and will be subject to income tax at ordinary rates on the fair market value of the common stock or the amount of cash received on the date of delivery in settlement of the restricted stock unit. The recipient's tax basis for purposes of determining any subsequent gain or loss from the sale of the common stock will be equal to the fair market value of the common stock (if any) received on the delivery date, and the recipient's holding period (for capital gain purposes) with respect such common stock will begin at the delivery date. Gain or loss resulting from any sale of common stock delivered to a recipient will be treated as long- or short-term capital gain or loss depending on the length of the holding period.

*Cash-Based Award/Dividend Equivalent Rights.* A recipient of a cash-based award or dividend equivalent right will not recognize ordinary income or be subject to FICA taxation at grant. Instead, a recipient will be subject to FICA taxation at the time any portion of such award vests and generally will be subject to income tax at ordinary rates when the award is settled or paid.

*Deduction.* The Company generally will be entitled to a tax deduction equal to the amount recognized as ordinary income with respect to awards of stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, cash-based awards and other stock-based or stock-related awards. The Company will not be entitled to any tax deduction with respect to an incentive stock option if the recipient holds the common stock for the Required Holding Period prior to disposition of the common stock, and is generally not entitled to a tax deduction with respect to any amount that represents a capital gain to a recipient or that represents compensation in excess of \$1 million paid to covered employees that is not qualified performance-based compensation under Section 162(m) of the Code. For this purpose, a covered employee means our chief executive officer and our three highest compensated employees other than the chief executive officer and the chief financial officer (based on compensation reported to our shareholders). The Plan is intended to satisfy the performance-based compensation exception under Section 162(m) of the Code with respect to stock options, stock appreciation rights and other awards that are subject to the achievement of performance goals.

*Section 409A and Recent Legislation.* The terms of the Plan and each award are intended to be exempt from or to comply with Section 409A of the Code, which imposes specific restrictions on nonqualified deferred compensation arrangements.

## **Transfer Restrictions**

Except to the extent otherwise provided in any award agreement, no award (or any rights or obligations thereunder) granted to any person under the Plan may be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of or hedged (including through the use of any cash-settled instrument), other than by will or by the laws of descent and distribution. All awards (and any rights thereunder) will be exercisable during the life of the recipient only by the recipient or by the recipient's legal representative.

## **Clawback/Recoupment**

Awards under the Plan may be subject to recoupment or clawback as may be required by applicable law, or the Company's recoupment, or clawback policy as it may be amended from time to time.

## **Amendment and Termination**

Generally, the board of directors may from time to time suspend, discontinue, revise or amend the Plan. Unless otherwise determined by the board of directors, shareholder approval of any suspension, discontinuance, revision or amendment will be obtained only to the extent necessary to comply with any applicable laws, regulations or rules of a securities exchange or self-regulatory agency. No amendment or alteration of the repricing provisions of the Plan will be effective without the approval of the shareholders of the Company.

Unless previously terminated by the board of directors, the Plan (if approved by our shareholders) will terminate on May 17, 2026, but any outstanding award will remain in effect until the underlying shares are delivered or the award lapses.

TABLE OF CONTENTS

## **New Plan Benefits**

As described above, the compensation committee, in its discretion, will select which employees or consultants receive awards and the size and types of those awards, if the Plan is approved by our shareholders. It is, therefore, not possible to predict the awards that will be made to particular individuals or groups under the Plan. No stock awards with respect to our common stock were awarded to our named executive officers in fiscal 2015. Our named executive officers in fiscal 2015 are seconded to us from our Manager and thus are not eligible for awards under the Plan. The value of shares with respect to restricted share units awarded to our named executive officers in fiscal 2015 under the Macquarie Group Employee Retained Equity Plan are set forth in the Summary Compensation Table. The value of director share units awarded to non-employee directors in fiscal 2015 under the 2014 Independent Directors Equity Plan are set forth in the Director Compensation table.

## **Recommendation of the Board**

Our board of directors recommends that you vote **FOR** the approval of the Macquarie Infrastructure Corporation 2016 Omnibus Employee Incentive Plan.



TABLE OF CONTENTS