

AMERICAN TOWER CORP /MA/  
Form DEF 14A  
March 22, 2007  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**SCHEDULE 14A**

(Rule 14a-101)

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**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- |                                     |  |                          |  |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/>            | Preliminary Proxy Statement.                 | <input type="checkbox"/> | Confidential, for Use of the Commission Only (as permitted |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement.                  | <input type="checkbox"/> | by Rule 14a-6(e)(2)).                                      |
| <input type="checkbox"/>            | Definitive Additional Materials.             |                          |  |
| <input type="checkbox"/>            | Soliciting Material Pursuant to §240.14a-12. |                          |  |

**AMERICAN TOWER CORPORATION**

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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x No fee required.

.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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March 21, 2007

Dear Stockholder:

It is a pleasure to invite you to our 2007 Annual Meeting in Boston, Massachusetts on Wednesday, May 9, 2007 at 11:00 a.m., local time, to be held in the Braemore/Kenmore Room at the Colonnade Hotel, 120 Huntington Avenue, Boston, Massachusetts 02116. We have included the official notice of meeting, proxy statement and form of proxy with this letter. The proxy statement describes in detail the matters listed in the notice of meeting.

The vote of every stockholder is important. Therefore, I urge you to sign and date the enclosed proxy card and promptly return it in the enclosed envelope so that your shares will be represented at the meeting. Alternatively, you may also vote your shares over the Internet. Please refer to the enclosed proxy card for detailed instructions. You may withdraw your proxy and vote in person at the meeting if you wish to do so.

Your Board of Directors and management look forward to greeting those of you who are able to attend.

Sincerely,

James D. Taiclet, Jr.  
*Chairman of the Board, President and*

*Chief Executive Officer*

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**AMERICAN TOWER CORPORATION**

**116 Huntington Avenue**

**Boston, Massachusetts 02116**

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**NOTICE OF 2007 ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MAY 9, 2007**

To the Stockholders:

The 2007 Annual Meeting of Stockholders of American Tower Corporation, a Delaware corporation, will be held in the Braemore/Kenmore Room at the Colonnade Hotel, 120 Huntington Avenue, Boston, Massachusetts 02116, on Wednesday, May 9, 2007 at 11:00 a.m., local time, to consider and act upon the following matters:

1. To elect eight Directors for the ensuing year or until their successors are elected and qualified;
2. To approve the American Tower Corporation 2007 Equity Incentive Plan;
3. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2007; and

4. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof. Stockholders of record at the close of business on March 12, 2007 are entitled to notice of, and to vote at, the Annual Meeting. Our stock transfer books will remain open for the transfer of our Class A common stock. For a period of ten days prior to the Annual Meeting, a complete list of the stockholders entitled to vote at the Annual Meeting will be available at our principal executive offices for inspection by any stockholder of record for any purpose germane to the Annual Meeting.

By order of the Board of Directors,

William H. Hess

*Executive Vice President, International*

*Operations, General Counsel and Secretary*

Boston, Massachusetts

March 21, 2007

**WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE**

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**COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND PROMPTLY MAIL THE PROXY CARD IN THE ENCLOSED ENVELOPE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES AT THE ANNUAL MEETING. NO POSTAGE IS NECESSARY IF THE PROXY CARD IS MAILED WITHIN THE UNITED STATES. ALTERNATIVELY, PLEASE VOTE OVER THE INTERNET BY FOLLOWING THE INSTRUCTIONS ON THE ENCLOSED PROXY CARD.**

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**AMERICAN TOWER CORPORATION**

**116 Huntington Avenue**

**Boston, Massachusetts 02116**

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**PROXY STATEMENT**

**FOR THE 2007 ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MAY 9, 2007**

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**GENERAL INFORMATION**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of American Tower Corporation, a Delaware corporation, for use at the 2007 Annual Meeting of Stockholders to be held on May 9, 2007, or any adjournments or postponements thereof.

We are mailing this Proxy Statement together with our Annual Report to Stockholders for the year ended December 31, 2006, on or about March 27, 2007. Our Annual Report to Stockholders includes a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, as filed with the Securities and Exchange Commission (SEC), on February 28, 2007, except that exhibits are excluded.

**Record Date, Voting Rights and Outstanding Shares**

The Board of Directors has fixed March 12, 2007, as the record date for determining holders of our Class A common stock (Common Stock) who are entitled to vote at the Annual Meeting.

With respect to the matters submitted for vote at the Annual Meeting, each share of Common Stock is entitled to one vote. On March 12, 2007, there were 420,854,627 shares of our Common Stock outstanding and entitled to vote.

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares of Common Stock issued and outstanding on March 12, 2007, will constitute a quorum for the transaction of business. We will count votes withheld, abstentions and broker non-votes for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting.

Stockholders who do not attend the Annual Meeting in person may submit proxies by mail or over the Internet. Proxies in the enclosed form and proxies properly submitted over the Internet, if received in time for voting and not revoked, will be voted at the Annual Meeting in accordance with the instructions contained therein. If no instructions are indicated, the shares represented by the proxy will be voted:

**FOR** the election of the Director nominees named herein;

**FOR** the approval of the American Tower Corporation 2007 Equity Incentive Plan;

**FOR** the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2007; and



In accordance with the judgment of the proxy holders as to any other matter that may be properly brought before the Annual Meeting, or any adjournments or postponements thereof.

We will not count shares that abstain from voting on a particular matter, and shares held in street name by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote the shares as to a particular matter and have not received instructions from the beneficial owner (broker non-votes), as votes in favor of such matter. Other than as described below, we will also not count them as votes cast or shares voting on such matter. Accordingly, abstentions and broker non-votes will have no effect on the outcome of voting on proposal 1, election of Directors and proposal 3, ratification of the selection of our independent registered public accounting firm. However, in accordance with the rules of the New York Stock Exchange (NYSE), abstentions will be counted as votes cast and will have the effect of a vote against the approval of proposal 2, approval of our 2007 Equity Incentive Plan.

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### **Voting of Proxies**

You may vote by any one of the following means:

by mail;

over the Internet; or

in person, at the Annual Meeting.

To vote by mail, sign, date and complete the enclosed proxy card and return it in the enclosed self-addressed envelope. No postage is necessary if the proxy card is mailed in the United States. Instructions for voting over the Internet can be found on your proxy card. If you hold your shares through a bank, broker or other nominee, they will give you separate instructions for voting your shares.

### **Revocability of Proxies**

Any stockholder giving a proxy has the power to revoke it at any time before it is exercised. You may revoke the proxy by filing an instrument of revocation or a duly executed proxy bearing a later date with our Secretary, at our principal executive offices, 116 Huntington Avenue, Boston, Massachusetts 02116. You may revoke a proxy submitted over the Internet and submit a new proxy in its place in accordance with the instructions set forth on the Internet voting website. You may also revoke a proxy by attending the Annual Meeting and voting in person. If not revoked, we will vote the proxy at the Annual Meeting in accordance with your instructions indicated on the proxy card or, if submitted over the Internet, as indicated on the submission.

### **Solicitation**

We will bear all costs of solicitation of proxies. In addition to solicitations by mail, our Directors, officers and regular employees, without additional remuneration, may solicit proxies by telephone, telecopy and personal interviews. We will request brokers, banks, custodians and other fiduciaries to forward proxy soliciting material to the beneficial owners of stock they hold of record. We will reimburse them for their reasonable out-of-pocket expenses incurred in connection with the distribution of the proxy materials. We have retained The Altman Group, a proxy solicitation firm, to assist us in soliciting proxies. We expect to pay The Altman Group approximately \$15,000 for these services, plus reasonable out-of-pocket expenses.

### **Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth certain information known to us as of March 12, 2007, with respect to the shares of Common Stock that are beneficially owned as of such date by:

each Director;

our Chief Executive Officer and our Chief Financial Officer during the year ended December 31, 2006, and the three other most highly compensated executive officers who were serving as executive officers on December 31, 2006, whom we refer to collectively as named executive officers;

all Directors and executive officers as a group; and

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each person known by us to beneficially own more than 5% of our outstanding Common Stock.

We determined the number of shares of Common Stock beneficially owned by each person under rules promulgated by the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and also any shares which the individual or entity had the right to acquire within sixty days of March 12, 2007 through the exercise of an option, conversion feature or similar right. We refer to these options or rights as presently exercisable options. All percentages are based on the shares of Common Stock outstanding as of March 12, 2007. Except as noted below, each holder has sole voting and investment power with respect to all shares of Common Stock listed as owned by that holder.

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Name and Address of Beneficial Owner	Number of Shares	Percent of Common Stock
<b>Directors and Named Executive Officers</b>		
James D. Taiclet, Jr. (1)	1,273,945	*
Raymond P. Dolan (2)	55,000	*
Ronald M. Dykes (3)		
J. Michael Gearon, Jr. (4)	178,804	*
William H. Hess (5)	360,454	*
Carolyn F. Katz (6)	45,000	*
Gustavo Lara Cantu (7)	37,100	*
Fred R. Lummis (8)	537,399	*
Steven J. Moskowitz (9)	1,438,894	*
Pamela D.A. Reeve (10)	65,000	*
David E. Sharbutt (11)	25,000	*
Bradley E. Singer (12)	1,238,068	*
Samme L. Thompson (13)	18,258	*
All executive officers and Directors as a group (14 persons) (14)	5,304,072	1.2%
<b>Five Percent Stockholders</b>		
T. Rowe Price Associates, Inc. (15)	46,875,791	11.1%
100 E. Pratt Street, Baltimore, Maryland 21202		
FMR Corp. (16)	35,509,550	8.4%

82 Devonshire Street, Boston, Massachusetts 02109

\* Less than 1%

- (1) Includes 8,000 shares of Common Stock owned by Mr. Taiclet and presently exercisable options to purchase an aggregate of 1,265,945 shares of Common Stock.
- (2) Includes presently exercisable options to purchase an aggregate of 55,000 shares of Common Stock.
- (3) Mr. Dykes joined our Board of Directors in March 2007.
- (4) Includes 40,745 shares of Common Stock owned by Mr. Gearon directly, an aggregate of 38,059 shares of Common Stock owned by limited partnerships controlled by Mr. Gearon, and presently exercisable options to purchase an aggregate of 100,000 shares of Common Stock. Does not include 520,799 shares of Common Stock held by a trust for the benefit of Mr. Gearon's children, of which J. Michael Gearon, Sr. is the trustee. Mr. Gearon disclaims beneficial ownership in all shares owned by such trust.
- (5) Includes 23,477 shares of Common Stock owned by Mr. Hess and presently exercisable options to purchase an aggregate of 336,977 shares of Common Stock.
- (6) Includes presently exercisable options to purchase an aggregate of 45,000 shares of Common Stock.
- (7) Includes 2,100 shares of Common Stock owned by Mr. Lara and presently exercisable options to purchase an aggregate of 35,000 shares of Common Stock.

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- (8) Includes 311,147 shares of Common Stock owned by Mr. Lummis directly, an aggregate of 96,252 shares of Common Stock owned by trusts of which he is trustee and presently exercisable options to purchase an aggregate of 130,000 shares of Common Stock. Mr. Lummis disclaims beneficial ownership of all shares owned by the trusts, except to the extent of his pecuniary interest therein.
- (9) Includes 3,100 shares of Common Stock owned by Mr. Moskowitz and presently exercisable options to purchase an aggregate of 1,435,794 shares of Common Stock.
- (10) Includes presently exercisable options to purchase an aggregate of 65,000 shares of Common Stock.
- (11) Includes presently exercisable options to purchase an aggregate of 25,000 shares of Common Stock.
- (12) Includes 5,000 shares of Common Stock owned by Mr. Singer and presently exercisable options to purchase an aggregate of 1,233,068 shares of Common Stock.

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- (13) Includes 8,258 shares of Common Stock owned by Mr. Thompson and presently exercisable options to purchase an aggregate of 10,000 shares of Common Stock.
- (14) Includes presently exercisable options to purchase an aggregate of 4,768,034 shares of Common Stock.
- (15) Based on a Schedule 13G/A filed on February 9, 2007, T. Rowe Price Associates, Inc. (T Rowe) has sole voting power over 15,137,043 shares of Common Stock, sole dispositive power over 46,604,291 shares of Common Stock and beneficial ownership of 46,875,791 shares of Common Stock. Such amounts consist of shares held by T Rowe and shares that are subject to warrants and conversion privileges (Conversion Shares) held by T Rowe, including 42,682 Conversion Shares reflected in the shares for which T Rowe has sole voting power, 475,609 Conversion Shares reflected in the shares for which T Rowe has sole dispositive power and 475,609 Conversion Shares reflected in the shares beneficially owned by T Rowe.
- (16) Based on a Schedule 13G/A filed on February 14, 2007, FMR Corp. (FMR) has sole voting power over 5,116,296 shares of Common Stock and sole dispositive power over 35,509,550 shares of Common Stock. Edward C. Johnson 3d, Chairman of FMR, has sole voting power over 106,820 of these shares and sole dispositive power over 32,624,219 of these shares. FMR's Schedule 13G/A indicates that certain subsidiaries and affiliates of FMR are considered beneficial owners of such shares, as set forth below. Fidelity Management & Research Company, a wholly owned subsidiary of FMR, is the beneficial owner of 31,822,824 shares of Common Stock (includes 1,115,452 shares of Common Stock that may be acquired through the conversion of our 3.25% convertible notes). Fidelity Management Trust Company, a wholly owned subsidiary of FMR, is the beneficial owner of 14,000 shares of Common Stock. Strategic Advisors, Inc., a wholly owned subsidiary of FMR, is the beneficial owner of 328 shares of Common Stock. Pyramis Global Advisors, LLC, an indirect wholly owned subsidiary of FMR, is the beneficial owner of 106,820 shares of Common Stock. Pyramis Global Advisors Trust Company, an indirect wholly owned subsidiary of FMR, is the beneficial owner of 680,575 shares of Common Stock. Fidelity International Limited (FIL), who provides management services for certain investors, is the beneficial owner of 2,885,003 shares of Common Stock. FMR and FIL filed the Schedule 13G/A as if they own such shares on a joint basis.

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**PROPOSAL 1**

**ELECTION OF DIRECTORS**

Under our By-laws, the number of members of our Board of Directors is fixed from time to time by the Board of Directors, but may be increased or decreased either by the stockholders or by the majority of Directors then in office. We currently have nine Directors serving on our Board of Directors.

Of our nine current Directors, eight are standing for re-election at the Annual Meeting. One of our current Board members, Mr. Lummis, is not standing for re-election, and his term will expire at the Annual Meeting. The Board of Directors has nominated for election as Directors at the Annual Meeting the eight Directors listed below and has fixed the size of the Board at eight members effective as of the Annual Meeting. Messrs. Dykes and Sharbutt are the only nominees for Director standing for election by our stockholders for the first time, having joined our Board in March 2007 and July 2006, respectively. Messrs. Dykes and Sharbutt were each identified as a candidate for election to the Board of Directors by our Chief Executive Officer. All of the Directors nominated for election at the Annual Meeting were recommended for nomination to the Board of Directors by the Nominating and Corporate Governance Committee.

Directors elected at the Annual Meeting will hold office until the 2008 Annual Meeting or until their successors are elected and qualified, subject to earlier retirement, resignation or removal. If any of the nominees become unavailable to serve, we will vote the shares represented by proxies for the election of such other person as the Board of Directors may recommend. Unless otherwise instructed, we will vote all proxies we receive FOR the nominees listed below.

**Required Vote**

The election of Directors requires a plurality of the votes properly cast by or on behalf of the holders of Common Stock at the Annual Meeting.

**The Board of Directors recommends that you vote FOR the election of each of the nominees listed below to serve as our Directors until the next Annual Meeting or until their successors are duly elected and qualified.**

Set forth below are the name and age of each Director, his or her principal occupation and business experience during the past five years and the names of other publicly traded companies of which he or she served as a Director, each as of March 12, 2007.

**Nominee**

James D. Taiclet, Jr.

Age 46

**Principal Occupations and Business Experience During the Past Five Years**

Mr. Taiclet is our Chairman, President and Chief Executive Officer. Mr. Taiclet has been a Director since November 2003 and Chairman of the Board of Directors since February 2004. Mr. Taiclet joined American Tower in September 2001 as President and Chief Operating Officer and was named our Chief Executive Officer in October 2003. Prior to joining us, Mr. Taiclet had been President of Honeywell Aerospace Services, a part of Honeywell International, since March 1999. From March 1996 until March 1999, Mr. Taiclet served as Vice President, Engine Services at Pratt & Whitney, a unit of United Technologies Corporation. Mr. Taiclet was also previously a consultant at McKinsey & Company, specializing in telecommunications and aerospace.

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<b>Nominee</b>	<b>Principal Occupations and Business Experience During the Past Five Years</b>
Raymond P. Dolan  Age 49	Mr. Dolan has been a Director and member of the Compensation Committee since February 2003. In January 2004, Mr. Dolan was appointed to the Nominating and Corporate Governance Committee, and in February 2005, he was appointed the Chairperson. Mr. Dolan is the Chief Executive Officer of QUALCOMM Flarion Technologies. Mr. Dolan had been Chairman and Chief Executive Officer of Flarion Technologies, Inc., a provider of mobile broadband communications systems, since  May 2000, until its acquisition by QUALCOMM in January 2006. From 1996 until May 2000, Mr. Dolan was Chief Operating Officer of NextWave Telecom. Prior to joining NextWave, he was Executive Vice President of Marketing for Bell Atlantic/NYNEX Mobile.
Ronald M. Dykes  Age 60	Mr. Dykes has been a Director since March 2007. Mr. Dykes most recently served as Chief Financial Officer of BellSouth Corporation, a position he retired from in 2005. Prior to his retirement, Mr. Dykes had worked for BellSouth Corporation and its predecessor entities in various capacities for over 34 years. From October 2000 through December 31, 2005, Mr. Dykes also served as a director of Cingular Wireless, most recently as Chairman of the Board.
Carolyn F. Katz  Age 45	Ms. Katz has been a Director since February 2004 and was appointed to the Compensation Committee and the Audit Committee in April 2004. Since December 2001, Ms. Katz has been a consultant providing financial and strategic analysis for telecommunications companies. From May 2000 to October 2001, Ms. Katz served as a principal of Providence Equity Partners Inc., a private investment firm specializing in equity investments in telecommunications and media companies. From June 1984 to April 2000, Ms. Katz was employed by Goldman, Sachs & Co., most recently as a Managing Director and co-head of Emerging Communications. Ms. Katz currently serves on the board of directors of NII Holdings, Inc.
Gustavo Lara Cantu  Age 57	Mr. Lara has been a Director since November 2004 and was appointed to our Nominating and Corporate Governance Committee in February 2005. Mr. Lara most recently served as Chief Executive Officer of the Monsanto Company's Latin America North division, a position he retired from in 2004. Prior to his retirement, Mr. Lara had worked for the Monsanto Company in various capacities for over 24 years.
Pamela D.A. Reeve  Age 57	Ms. Reeve has been a Director since March 2002, and the Lead Director of the Board since May 2004. Ms. Reeve has been a member of the Audit Committee since August 2002, and in April 2004, Ms. Reeve was appointed to the Compensation Committee as the Chairperson. From August 2002 to February 2005, Ms. Reeve also served on the Nominating and Corporate Governance Committee. From November 1989 to August 2004, Ms. Reeve was the President and Chief Executive Officer and a director of Lightbridge, Inc., a global provider of mobile business solutions, offering products and services for the wireless telecommunications industry. Prior to joining Lightbridge in 1989, Ms. Reeve spent eleven years as a consultant and in a series of executive positions at the Boston Consulting Group, Inc. Ms. Reeve serves as a director of NMS Communications Corp.



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**Nominee**

**Principal Occupations and Business Experience During the Past Five Years**

David E. Sharbutt

Age 57

Mr. Sharbutt has been a Director since July 2006. Mr. Sharbutt most recently served as Chief Executive Officer and Chairman of Alamosa Holdings, Inc., a provider of wireless personal communications services, which was acquired by Sprint Nextel Corporation in February 2006. Mr. Sharbutt had been Alamosa's Chairman and a director since Alamosa was founded in July 1998 and was named Chief Executive Officer of Alamosa in October 1999. Mr. Sharbutt was formerly the President and Chief Executive Officer of Hicks & Ragland Engineering Co., an engineering consulting company, now known as CHR Solutions. While at CHR Solutions, Mr. Sharbutt worked with independent telephone companies in developing strategic, engineering and implementation plans for various types of telecommunications services.

Samme L. Thompson

Age 61

Mr. Thompson has been a Director since August 2005 and was appointed to the Compensation Committee in May 2006. Mr. Thompson served as a director of SpectraSite from June 2004, until our merger with SpectraSite in August 2005. Beginning in 2002 to present, Mr. Thompson has served as the President of Telit Associates, Incorporated, a financial and strategic advisory firm. Mr. Thompson worked for Motorola, Inc. as Senior Vice President and Director, Strategy and Corporate Development from 1999 to 2002. Mr. Thompson has over 34 years of management experience and currently serves on the Board of Directors of USA Mobility, Inc.

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### **CORPORATE GOVERNANCE**

#### **General**

The role of our Board of Directors is to ensure that the Company is managed for the long-term benefit of our stockholders and other stakeholders. To fulfill this role, the Board has adopted corporate governance principles to assure full and complete compliance with all applicable corporate governance standards. In addition, the Board has established reporting protocols to ensure that the Board is informed regarding the Company's activities and periodically reviews, and advises management with respect to, the Company's annual operating plans and strategic initiatives.

During the past year, we have continued to review our corporate governance policies and practices and to compare them to those suggested by various authorities in corporate governance and the practices of other public companies. We have also continued to review guidance and interpretations provided by the SEC and the NYSE.

You can access our current committee charters, Corporate Governance Guidelines and Code of Conduct in the Investors section of our website, [www.americantower.com](http://www.americantower.com), or by writing to: American Tower Corporation, 116 Huntington Avenue, Boston, Massachusetts 02116, Attention: Investor Relations.

#### **Annual Evaluation**

Our Board of Directors conducts annual evaluations of its performance and that of each of its three standing committees. In 2006, the Board hired an independent consultant to design and implement a process for these self-evaluations. Using a set of prepared questions as a guide, the consultant conducted interview and discussion sessions with the members of each of the committees and the full Board. The information gathered in these sessions was compiled in a written report to our Nominating and Corporate Governance Committee, which used these results to review and assess the Board's composition, responsibilities, structure, processes and effectiveness. We expect to carry out similar Board and committee self-evaluations in 2007.

#### **Orientation and Education**

Each newly elected Director is required to visit our corporate headquarters to attend a customized Board orientation program that includes information on our corporate governance policies and briefings by each of our senior operational and functional leaders on the Company's business and practices. We are also committed to the ongoing education of our Directors, and from time to time, conduct presentations to the Board of Directors regarding corporate governance processes and practices, our business and our industry by external experts in the respective field. Additionally, beginning in 2007, we encouraged each of our independent Directors to attend at least one board education course offered by either academic institutions or professional service organizations at the Company's expense.

#### **Determination of Independence**

Under NYSE rules, a Director of the Company only qualifies as independent if the Board of Directors affirmatively determines that the Director has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). The Board has established guidelines to assist it in determining whether a Director has a material relationship with the Company under NYSE rules. Under these guidelines, a Director is not considered to have a material relationship with the Company solely on the grounds that he or she:

is an executive officer or employee, or has an immediate family member who is an executive officer, of a company that makes payments to, or receives payments from, American Tower for property or services, unless the amount of such payments or receipts, in any of the three fiscal years preceding the determination, exceeded the greater of \$1 million or two percent (2%) of such other company's consolidated gross revenues; or

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is an executive officer of another company which is indebted to American Tower, or to which American Tower is indebted, unless the total amount of either company's indebtedness to the other is more than five percent (5%) of the total consolidated assets of the company for which he or she serves as an executive officer; or

is a director of another company that does business with American Tower, provided that he or she owns less than five percent (5%) of the outstanding capital stock of the other company and recuses himself or herself from any deliberations of American Tower with respect to such other company; or

serves as an executive officer of any tax-exempt organization, unless American Tower's charitable contributions to the organization, in any of the three fiscal years preceding the determination, exceeded the greater of \$1 million or 2% of such charitable organization's consolidated gross revenues.

In addition, ownership of a significant amount of the Company's stock, by itself, does not constitute a material relationship.

For relationships not covered by the guidelines set forth above, the determination of whether a material relationship exists is made by the other members of the Board who are independent (as defined above).

Based on their compliance with the guidelines established by the Board, the Board has determined that each of Messrs. Albert, Dolan, Dykes, Lara, Lummis, Sharbutt and Thompson and Messes. Katz and Reeve has no material relationship with the Company and is independent under Section 303A.02(b) of the NYSE listing standards. In making its assessment, the Board determined that each of Messrs. Albert, Dykes, Lara and Lummis and Ms. Reeve had no relationship with the Company, other than being a Director and/or stockholder. For each of Messrs. Dolan, Dykes, Sharbutt and Thompson and Ms. Katz, the Board determined that only immaterial relationships existed between the Director and the Company, as follows:

Mr. Dolan is an employee of a company that does business with American Tower. In January 2006, QUALCOMM Incorporated acquired Flarion Technologies, Inc., of which Mr. Dolan served as Chairman and Chief Executive Officer. In connection with the acquisition, Mr. Dolan became the Chief Executive Officer of QUALCOMM Flarion Technologies, Inc., a subsidiary of QUALCOMM. QUALCOMM is a customer of the Company. In accordance with the NYSE independence rules, Mr. Dolan recuses himself from deliberations of the Company's Board with respect to QUALCOMM. In each of the last three years, payments to American Tower from QUALCOMM were less than 2% of QUALCOMM's gross revenues.

Mr. Dykes is a former employee and former director of companies that do business with American Tower. Mr. Dykes is the former Chief Financial Officer of BellSouth Corporation, a position he retired from in 2005. From October 2000 through December 31, 2005, Mr. Dykes also served as a Director of Cingular Wireless, most recently as Chairman of the Board. As of December 31, 2005, BellSouth Corporation owned an approximate 40% economic interest in Cingular Wireless. In December 2006, BellSouth Corporation merged with AT&T, Inc., and the surviving entity assumed control of 100% of Cingular Wireless. BellSouth Corporation is a customer of the Company and Cingular Wireless is one of the Company's largest customers. In each of the last three years, payments to American Tower from Cingular Wireless were less than 2% of the gross revenues of Cingular Wireless. Under the NYSE listing standards and the Company's guidelines, a Director who is a former employee or former director of a company that makes or made payments to the Company may be considered independent, even if the relationship between the two companies continues.

Ms. Katz is a director of a company that does business with American Tower. Ms. Katz serves on the Board of Directors of NII Holdings, Inc. (together with its affiliates, NII Holdings). NII Holdings lease space on the Company's towers in Mexico and Brazil, and the Company has purchased towers from NII Holdings in Mexico and Brazil. In accordance with the NYSE independence rules, Ms. Katz recuses herself from deliberations of the Company's Board with respect to NII Holdings. During 2006, NII Holdings paid the Company an aggregate of approximately \$44.7 million, representing approximately 3.4% of the Company's 2006 total revenues and

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approximately 1.9% of NII Holdings' 2006 total revenues. In addition, during the year ended December 31, 2006, the Company acquired an aggregate of 83 towers in Mexico and Brazil from NII Holdings for a total purchase price of approximately \$8.8 million. Ms. Katz also served on the board of IWO Holdings, Inc., a customer of the Company, until October 2005, when IWO Holdings was acquired by Sprint Nextel. In addition, from 1984 to 2000, Ms. Katz worked for Goldman Sachs & Co., an investment bank, most recently as a Managing Director. Goldman Sachs & Co. has provided services to the Company in the past and may provide services to the Company in the future.

Mr. Sharbutt is a former employee and former director of a company that does business with American Tower. Mr. Sharbutt served as Chairman and Chief Executive Officer of Alamosa Holdings, Inc., until it was acquired in February 2006 by Sprint Nextel Corporation. In each of 2004 and 2005, payments to American Tower from Alamosa Holdings were less than 2% of Alamosa Holdings' gross revenues. Alamosa Holdings ceased to exist as a stand-alone entity in February 2006 when it was acquired by Sprint Nextel. Under the NYSE listing standards and the Company's guidelines, a Director who is a former employee or former director of a company that makes or made payments to the Company may be considered independent, even if the relationship between the two companies continues.

Mr. Thompson is a director of a company that does business with American Tower. Mr. Thompson serves on the Board of Directors of USA Mobility, Inc. USA Mobility leases space on the Company's towers in the United States. In accordance with the NYSE independence rules, Mr. Thompson recuses himself from deliberations of the Company's Board with respect to USA Mobility. During 2006, USA Mobility paid the Company an aggregate of approximately \$13.4 million, representing approximately 1.0% of the Company's 2006 total revenues and approximately 2.7% of USA Mobility's 2006 total revenues.

## **Director Candidates**

The Nominating and Corporate Governance Committee works with the Board of Directors on an annual basis to determine the appropriate characteristics, skills and experience of the Board as a whole and its individual members. The process followed by the Committee to identify and evaluate Director candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Committee and the Board of Directors. In considering whether to recommend any particular candidate for inclusion in the Board's slate of recommended Director nominees, the Committee will apply the criteria set forth in our Corporate Governance Guidelines. These criteria include a candidate's general understanding of marketing, finance and other elements relevant to the success of a large publicly traded company in today's business environment, understanding of our business, and educational and professional background. The Committee evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In determining whether to recommend a Director for re-election, the Nominating and Governance Committee also considers the Director's past attendance at meetings and participation in and contributions to the activities of the Board.

Stockholders may recommend individuals to the Nominating and Corporate Governance Committee for consideration as potential Director candidates by submitting their names, together with appropriate biographical information and background materials to Raymond P. Dolan, Chairperson of the Nominating and Corporate Governance Committee, c/o General Counsel, American Tower Corporation, 116 Huntington Avenue, Boston, Massachusetts 02116. Assuming that appropriate biographical and background material is provided for candidates recommended by stockholders, the Nominating and Corporate Governance Committee will evaluate those candidates by following substantially the same process, and applying substantially the same criteria, as for candidates submitted by Board members.

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### **Communications from Stockholders and Other Interested Parties**

The Board will give appropriate attention to written communications submitted by stockholders and other interested parties, and will respond if and as appropriate. The Board has designated the Nominating and Corporate Governance Committee, which consists solely of non-management Directors, to handle communications from stockholders and other interested parties. Stockholders and other interested parties who wish to send communications on any topic to the Board and its non-management Directors should address such communications to Raymond P. Dolan, Chairperson of the Nominating and Corporate Governance Committee, c/o General Counsel, American Tower Corporation, 116 Huntington Avenue, Boston, Massachusetts 02116.

Absent unusual circumstances or as otherwise contemplated by committee charters, the Chairperson of the Nominating and Corporate Governance Committee will, with the assistance of our General Counsel, (1) be primarily responsible for monitoring communications from stockholders and (2) provide copies or summaries of such communications to the other Directors as he or she considers appropriate. Communications will be forwarded to all Directors if they relate to substantive matters and include suggestions or comments that the Chairperson of the Nominating and Corporate Governance Committee considers to be important for the Directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to personal grievances and matters covered by repetitive or duplicative communications.

### **Approval of Related Party Transactions**

Our Corporate Governance Guidelines include a policy for the review and approval of all transactions involving the Company and related parties. Under the policy, related parties mean our executive officers and Directors and stockholders owning in excess of five percent of our Common Stock, as well as any such person's immediate family members. The policy also covers entities that are owned or controlled by persons that are related parties, or an entity in which a related party has a substantial ownership interest or control of such entity. The policy covers any transaction that is not available to employees or Directors generally, or any transaction exceeding \$120,000 in which the related party has a direct or indirect material interest.

The policy provides that all related party transactions are to be reviewed and approved by the Nominating and Corporate Governance Committee. Under the policy, management shall recommend to the Nominating and Corporate Governance Committee any related party transaction to be entered into by the Company, including the proposed aggregate value of such transaction. After review, the Nominating and Corporate Governance Committee shall approve or disapprove such transaction and management shall continue to update the Nominating and Corporate Governance Committee as to any material change to that proposed transaction. In the event a related party transaction is entered into by management prior to approval by the Nominating and Corporate Governance Committee, such transaction shall be subject to ratification by the Nominating and Corporate Governance Committee. If ratification shall not be forthcoming, management shall make all reasonable efforts to cancel or annul such transaction.

### **Board of Directors Meetings and Committees**

During the fiscal year ended December 31, 2006, our Board held four regular meetings in person and ten special meetings in person or by telephone. Each of the current Directors who was then in office attended at least 75% of the aggregate number of meetings of our Board and the committees on which that Director served. Six of the seven Directors standing for re-election at our 2006 Annual Meeting of Stockholders attended the meeting in person or by phone. We encourage, but do not require, Directors to attend our annual meeting of stockholders.

Ms. Reeve was appointed Lead Director in May 2004, and she continues to serve the Board in this role. The Lead Director assists the Chairman in communicating with, and assigning tasks to, the other Board members. In addition, the Lead Director serves as chairperson of the Board's executive sessions of non-management Directors, as defined under the rules of the NYSE. Executive sessions of non-management Directors are held at least four times a year, and any non-management Director can request that an additional executive session be scheduled.

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The Board currently has three standing committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. Each Committee has a charter that has been approved by the Board. All of the current members of each of the Board's three standing committees are independent as defined under the rules of the NYSE, including, in the case of all members of the Audit Committee, the additional independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934 (Exchange Act).

The current membership of each committee, the number of meetings held by each committee during the year ended December 31, 2006, and other descriptive information is summarized below.

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Raymond P. Dolan		X	Chair
Ronald M. Dykes (1)			
Carolyn F. Katz	X	X	
Gustavo Lara Cantu			X
Fred R. Lummis (2)	Chair		X
Pamela D.A. Reeve (3)	X	Chair	
David E. Sharbutt			
Samme L. Thompson		X	
James D. Taiclet, Jr. (4)			

The motion was carried as an ordinary resolution on a poll the details of which are:

The number of votes cast for the motion was	648,208,292
The number of votes cast against the motion was	36,455,509
In addition the number of votes which abstained from voting was	4,584,982

**Motion 8 Shares, performance options and performance rights****Director, Finance & Risk (an Executive Director)**

Votes where the proxy directed to vote for the motion	631,487,230
Votes where the proxy was directed to vote against the motion	32,745,421
Votes where the proxy may exercise a discretion how to vote	19,208,822
In addition, the number of votes where the proxy was directed to abstain from voting on the motion was	4,471,415

The motion was carried as an ordinary resolution on a poll the details of which are:

The number of votes cast for the motion was	651,686,251
The number of votes cast against the motion was	32,965,950
In addition the number of votes which abstained from voting was	4,530,070

**Motion 9 Approval to the selective buy-back arrangements relating to the preference shares associated with the National Income Securities**

Votes where the proxy directed to vote for the motion	147,606,397
Votes where the proxy was directed to vote against the motion	3,582,663
Votes where the proxy may exercise a discretion how to vote	23,111,322
In addition, the number of votes where the proxy was directed to abstain from voting on the motion was	2,500,216

The motion was carried as a special resolution on a poll the details of which are:

The number of votes cast for the motion was	171,680,475
The number of votes cast against the motion was	3,637,601
In addition the number of votes which abstained from voting was	2,558,871

Dated this 30<sup>th</sup> day of January 2006

Garry Nolan

Company Secretary

**SIGNATURE PAGE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

**NATIONAL AUSTRALIA BANK LIMITED**

Date: 31 January 2006

Signature: */s/ Brendan T Case*

Name: Brendan T Case

Title: Associate *Company Secretary*