



REMUNERATION & NOMINATION COMMITTEE CHARTER

1. Purpose

- The Remuneration and Nomination Committee is a committee of the Board of Directors.
- The committee will be comprised of at least three non-executive directors of the board. A majority of committee members shall be "Independent Directors". The members of the committee will be selected at the Board meeting immediately following the Annual Meeting and will hold office for the ensuing year.
- The Managing Director will attend at the invitation of the committee.
- The Board will appoint a Chairman from among the independent members of the committee.
- Subject to the Chairman's approval, any director not on the committee may request attendance at a meeting of the committee. Executive directors will not be entitled to attend meetings where they are conflicted for personal reasons.
- The Remuneration and Nomination Committee support the Board on matters relating to staffing and personnel (human resources) and remuneration (both cash and non-cash). The Remuneration and Nomination Committee assesses the role and responsibilities, composition, training and membership requirements and remuneration for the Board, including the necessary and desirable competencies of Board members, director succession planning, performance evaluation of the Board and its sub-committees, procedures for selection and appointment of new directors, independence of directors, time commitments of non-executive directors, and recommendations for the appointment and removal of directors. The Remuneration and Nomination Committee determines the process for evaluation of Board and director performance and oversees the process so determined.

2. Meetings

- Meetings of the Committee will be held at least twice a year or at the discretion of the Chairperson or if requested by any Committee member or the Managing Director.
- A quorum will be three members with at least two being non-executive directors.
- The committee may have in attendance members of management, and such other persons including external advisers as it considers necessary to provide appropriate information, explanation and advice.

3. Objectives

The objectives of the Committee are to:

- a) Ensure the Company has in place a sound remuneration policy framework designed to make sure that:
 - The Company's management team is fairly and equitably remunerated
 - The senior employees of the company are appropriately rewarded for excellent achievement and performance
 - The Company is able to attract and retain high performing people whose skills and attributes are well matched to The company's requirements
- b) Ensure that appropriate and required disclosure is made (in Annual Reports and Accounts) of Director and Executive remuneration, in accordance with regulatory requirements and good governance practices.
- c) Ensure that there is an environment and framework where management talent and potential is assessed and developed in line with the requirements of The Company.
- d) Review key executive positions within The Company to ensure robust succession planning exists.
- e) Review the composition of the board and make recommendations to ensure an appropriate mix of skills and experience is maintained and that The Board is operating to a best practice standard of governance.
- f) Identifying and nominating for the approval of The Board, candidates to fill board vacancies as and when they arise.
- g) Review the independence of independent directors on behalf of The Board.

4. Accountability and Reporting

The committee will be accountable to The Board. After each meeting the chairman will report the committee's recommendations and findings to The Board.

The minutes of all committee meetings will be circulated to members of The Board. Extracts from the minutes will be made available to such other persons as The Board directs, to enable them to properly carry out their functions.

Directors may serve on multiple boards so long as their directorships are communicated to The Chief Financial Officer and Board Chairman and do not conflict with their role as director at The Company. Such disclosures will be made when any changes happen and minuted at the next Board meeting.

5. Access and Authority

- The Committee shall have all necessary access to, and the authority of The Board to see any information it requires from any employees to fulfil its function, duties and responsibilities. All employees will be directed to co-operate with any request made by the Committee.
- The Committee is authorised by The Board, at the expense of The Company to obtain such outside information and advice as it thinks necessary for carrying out its responsibilities. Such contractual arrangements are to be between the Remuneration and Nomination Committee and the advisor and should not include the Human Resource department of The Company.
- The Committee will make recommendations to the board on all matters requiring a decision. The Committee does not have the power or authority to make a decision in The Board's name or on its behalf.

6. Responsibilities

Subject to the limitations on the authorities, the Committee's responsibilities are:

- Ensure that effective remuneration management systems are in place and that they support The Company's wider objectives and strategies;
- Setting and reviewing the remuneration of The Company's Managing Director, senior management team and executive directors. The remuneration of the senior executives who report to the Managing Director is subject to prior recommendation of the Managing Director;
- Setting executive remuneration and the fees of directors and in the process the Remuneration and Nomination Committee will consider the advice of consultants, the performance of The Company, requirements as set out in the service contracts between The Company and directors and other relevant requirements of The Company.
- Setting and reviewing the terms of employment contracts for the personnel referred to above;
- Setting and reviewing the terms of The company's short and long term incentive plans including any share and option schemes for employees and/or directors;
- Setting and reviewing the terms of The Company's superannuation and/or pension schemes if applicable;
- Ensure policies and guidelines are in place to facilitate management performance assessment and development and the encouragement of team member self development;
- Considering such other matters relating to remuneration issues as may be referred to it by The Board;

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- Be responsible for identifying and nominating for the approval of The Board, candidates to fill board vacancies as and when they arise;
- Satisfy itself with regard to succession planning, that the processes and plans are in place with regard to both Board and senior appointments;
- Ensure that the secretary on behalf of The Board has formally written to any appointees, detailing the role and time commitments and proposing an induction plan produced in conjunction with the Chairman;
- Instigating and overseeing the process to identify a shortlist of candidates for the appointment of the Managing Director;
- Reviewing the independence of each director based on criteria set by the NZX and under Section 3.6 of the Board Charter.
- Maintain and review registers of outside directorships held by directors of The Company, and for considering any potential conflict of interest arising from the appointment of directors to outside Boards.

Ratified by the Tourism Holdings Limited Board of Directors on 16th November 2004.