

Tourism Holdings Limited

Directors' Fees Benchmarking Report Summary

28 September 2018

Independence declaration

PwC's Reward Services team has been engaged by Tourism Holdings Limited's Remuneration & Nomination Committee (the Committee) to provide independent benchmarking services in relation to Tourism Holdings Limited's directors' fees (the Services).

As lead engagement Partner for the provision of the Services to the Committee, I declare that no influence has been brought to bear upon me or, to the best of my knowledge and belief, any member of the PwC Reward Services team, by any Board member, employee or executive of Tourism Holdings Limited or any other party regarding the Services or outcomes of the Services.

In my professional opinion, all members of the PwC engagement team are therefore independent for the purposes of the Services as outlined in the commentary to Recommendation 5.2 of the NZX Corporate Governance Code 2017.

Dated: 28 September 2018



Chris Place
Partner
PricewaterhouseCoopers

Summary – THL directors' fees market analysis

Non executive directors' (NEDs') fee market data has been provided by PwC for THL from an agreed peer comparator group of 12 NZX-listed companies. Details of the peer group are provided in Appendix 1.

The basis for the peer group composition, as agreed with THL's Remuneration & Nomination Committee, was purely comparable market capitalisation. The starting point for developing the peer group was companies falling in a 50% - 200% range of THL's current market capitalisation. One company below this threshold was included, in order to ensure an evenly weighted sample of larger and smaller companies by market cap (six larger and six smaller). The median market capitalisation across the peer group is \$704m (with THL at \$703m).

The table below shows a comparison of the current THL directors' fees against the median of the peer comparator group. Data is current to 1 September 2018 and has been sourced from publicly available information, including annual reports and NZX disclosures. PwC makes no recommendations regarding THL's directors' fees.

Where the THL Board wishes to pay its Board members relative to the comparator group will depend on the Board's view of the overall relevance of the comparator group, and specifically THL's perceived relative complexity, relative scale, ranking (by scale) and risk profile as compared with those of the comparator companies.

Summary Table:

Position	Sample size	Market median	THL Fee policy	Comparison to median
Chairman ¹	10	\$166,900	\$150,000	90%
Chair of Audit & Risk Committee ²	11	\$17,300	\$10,000	58%
Chair of Remuneration & Nomination Committee ³	10	\$9,300	\$7,500	81%
Chair Other Committee ⁴	8	\$8,750	\$7,500	86%
NED	12	\$82,300	\$75,000	91%
Total Approved pool fee	12	\$572,800	\$650,000	113%
Total Fees Paid	12	\$477,400	\$537,000	112%

¹ Analysis of each of the 10 companies that had this role/paid additional remuneration to this role.

² Analysis of each of the 11 companies that had this role/paid additional remuneration to this role.

³ Analysis of each of the 10 companies that had this role/paid additional remuneration to this role.

⁴ Insufficient sample size from peer comparator group to draw data. Median figure provided for Chair of Other Committee from 'All Companies' sample – PwC 2017 Directors' Fees report. (Relevant to THL as this pertains to the *Chair of Marketing & Customer Experience Committee*).

Appendix 1 – Peer Group – Market capitalisation

(sorted by ascending market cap.)

Organisation name	Market capitalisation (\$m)	Annual revenue (\$m)	Total assets (\$m)
Steel and Tube	208	496	346
Tegel	402	615	751
Skellerup	416	240	252
Arvida	555	132	1100
Vista Group	657	107	204
Scales Logistics	689	399	342
Kathmandu	718	497	615
Sanford	721	478	820
Sky TV	837	840	1503
Argosy	918	101	1545
Restaurant Brands	948	766	452
Freightways	1211	581	561

Source: Market capitalisation data www.nzx.com – September. Annual revenue and total assets data from latest annual reports.