



TOURISM HOLDINGS LIMITED

NOTICE OF ANNUAL MEETING

Notice is given that the 2013 Annual Meeting of shareholders of Tourism Holdings Limited (**Company**) will be held at The Heritage Hotel, 35 Hobson St, Auckland at 2pm on Wednesday, 27 November 2013.

AGENDA

A. Chair's address

B. Chief Executive's review

C. Ordinary business and resolutions

To consider and, if thought fit, to pass the following ordinary resolutions:

Resolution 1: **Re-election of Graeme William Bowker**

That Graeme William Bowker, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

Resolution 2: **Election of Robert James Campbell**

That Robert James Campbell (appointed as a Director by the Board on 6 May 2013) be elected as a Director of the Company.

Resolution 3: **Election of David Roman Neidhart**

That David Roman Neidhart (appointed as a Director by the Board on 7 June 2013) be elected as a Director of the Company.

Resolution 4: **Auditors**

That the Directors are authorised to fix the remuneration of the auditors for the ensuing year.

Resolution 5: **Approval for the Company to issue shares in whole or in part payment of Directors' fees**

That the maximum aggregate amount of remuneration payable to all Directors taken together (in their capacity as Directors) be maintained at the amount of \$450,000 per annum, which may be payable in whole or in part by way of an issue of ordinary shares in the Company provided that any issue is made in accordance with NZSX Listing Rule 7.3.7.

D. Other Business

To consider such other business as may be properly submitted to the meeting.

By order of the Board

A handwritten signature in blue ink, appearing to read 'Rob Campbell', is written over a faint blue circular stamp.

Rob Campbell
Chairman
7th November 2013

EXPLANATORY NOTES

1. Re-election of Graeme William Bowker (Resolution 1)

NZSX Listing Rule 3.3.11 requires that at least one third of the Company's Directors (or the number nearest to one third) must retire by rotation at each annual meeting of shareholders. The Directors to retire are those who have been longest in office since their last election or re-election, and if they are eligible, they may offer themselves for re-election by shareholders at the annual meeting.

Graeme Bowker is retiring by rotation, and, being eligible, offers himself for re-election. The Board has determined that Graeme Bowker is an Independent Director as defined in the NZSX Listing Rules.

Bio

*Graeme Bowker - Non Executive Director appointed in February 2003. Appointed Chairman of **thl** Audit & Risk Committee 31st October 2012. Currently Chair of Silverstripe Australia Pty Limited and a Director of Kern Mobile Pty Limited. Formerly the Victorian Managing Partner for Deloitte Touche Tohmatsu and prior to this, Country Managing Partner in New Zealand. (Age: 68yrs)*

2. Election of Directors (Resolutions 2 and 3)

NZSX Listing Rule 3.3.6 and Clause 26.3 of the Constitution of the Company provide that a Director appointed by the Board must retire from office at the next annual meeting, but shall be eligible for election at the meeting.

Robert Campbell was appointed as a Director by the Board on 6 May 2013, and was appointed as Chairman of the Company effective 29 August 2013. Robert Campbell retires from office at the annual meeting but offers himself for election by shareholders. The Board has determined that Robert Campbell is an Independent Director as defined in the NZSX Listing Rules.

Bio

*Rob Campbell - Non Executive Director appointed in May 2013. Appointed Chairman of **thl** in August 2013. Rob has over 30 years' experience in investment management and corporate governance. Currently Chair of Guinness Peat Group Limited (UK) and Summerset Group Holdings Limited (NZ), and a director of Precinct Properties and Turners and Growers. He is a director of substantial private companies based in Australia and New Zealand. In addition he is a director of or advisor to a number of hedge and private equity funds in a number of countries. Rob trained as an economist and has worked in a variety of capital market advisory and governance roles over a long period. (Age: 62yrs).*

David Neidhart was appointed as a Director by the Board on 7 June 2013. David Neidhart retires from office at the annual meeting but offers himself for election by shareholders. David Neidhart is not an Independent Director as defined in the NZSX Listing Rules

Bio

David Neidhart - Non Executive Director appointed in June 2013. David was proposed for appointment by the Sterling Grace funds, and is not an independent director. David accumulated more than 4 years of experience in the vehicle rental industry as a Director of Strategy for the International business unit of Hertz. During his professional career, David has operated across a number of international markets across various disciplines and industries. David has managed Strategy and M&A for large International companies such as Hertz as well as being active in Asset Management and Private Equity industries, Valartis and Bisange. David holds a Master of Finance of the Sciences-po University in Paris and a Diploma of the Geneva University. (Age: 37 yrs).

3. Auditors' Remuneration (Resolution 4)

PricewaterhouseCoopers is automatically reappointed as auditor under section 200 of the Companies Act 1993.

The proposed resolution authorises the Board of Directors to fix the remuneration of the Auditor.

4. Approval for the Company to issue shares in whole or in part payment of Directors' fees (Resolution 5)

Directors' remuneration was last increased at the 2003 annual meeting to the amount of \$450,000 per annum payable to all Directors taken together. An increase in Directors' fees is not being sought at the annual meeting.

NZSX Listing Rule 3.5.1 allows a listed company to pay directors' fees to directors by way of an issue of shares in the company, subject to approval by ordinary resolution of the shareholders and otherwise in compliance with NZSX Listing Rule 7.3.7.

Resolution 5 seeks the approval of the shareholders to permit the fees paid to Directors to be paid in part or in whole by an issue of ordinary shares in the Company to the Directors subject to compliance with NZSX Listing Rule 7.3.7.

NZSX Listing Rule 7.3.7 permits the issue of shares to Directors if:

- (a) the issue is made in accordance with a resolution passed under Listing Rule 3.5.1;
- (b) the issue is of a Class of Equity Securities already on issue;
- (c) the issue of Equity Securities is made after the end of the period (or half period) to which that remuneration relates; and
- (d) the issue price of the Equity Securities is equal to the volume weighted average market price of Equity Securities of that class over the 20 business days before the issue occurs.

The Company has put in place a fixed share plan for Directors subject to the passing of Resolution 5. The purpose of the plan is to enable Directors to be paid a specified percentage of their Directors' fees by way of an issue of shares in the Company rather than in cash. Rob Campbell and Graeme Wong have each entered into a subscription agreement with the Company (which are each conditional upon shareholder approval as contemplated by Resolution 5) under which they have each agreed to subscribe for shares in the Company in respect of a proportion of their Directors' fees. Due to tax issues in relation to Directors who are not resident in New Zealand, in the case of Graeme Bowker and David Neidhart, and due to Kay Howe already having a relevant interest in a substantial number of shares in the Company through Hauraki Motor Homes Limited, no other Directors have elected to be issued shares in payment of Directors' fees. However, Resolution 5 provides the Company with flexibility in the future to pay Directors' fees by way of an issue shares to Directors if circumstances change.

Each subscription agreement entered into has a term of two years and commences with effect from 1 October 2013. Shares will be issued to the Directors at six monthly intervals approximately 20 business days after the Company releases its half year and annual financial results. The first issue of shares will take place after the Company releases its financial results for the six month period ending 31 December 2013 and will apply in relation to Directors' fees for the period 1 October 2013 to 31 March 2014. The shares will be issued at the volume weighted average price of the Company's shares over the 20 business days prior to the date the shares are issued, which will reflect the price of the Company's shares after the relevant results announcement. As the share plan is fixed for two years, the Directors have no right to withdraw from the plan, or to amend the percentage of Directors' fees that will be paid in shares, before the expiry of that two year period. Shares will also be issued automatically under the plan and will not be subject to any influence by the Directors as to whether shares will be issued.

PROCEDURAL MATTERS

Ordinary resolution

Each of Resolutions 1 to 5 must be passed as ordinary resolutions of the Company.

Pursuant to NZSX Listing Rule 1.6.1, an ordinary resolution means a resolution passed by a simple majority of votes of holders of securities of the Company which carry votes entitled to vote and voting.

Shareholders entitled to attend and vote

Pursuant to section 125 of the Companies Act 1993, the Board has determined that for the purposes of voting at the annual meeting, only those registered shareholders of the Company as at 5.00pm on Friday 22 November 2013, being a day not more than 20 working days before the meeting, shall be entitled to exercise the right to vote at the meeting.

Proxy

A shareholder who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of that shareholder. A corporation which is a shareholder may appoint a representative to attend the meeting on its behalf in the same manner as it could appoint a proxy.

If you wish to appoint a proxy you should complete the enclosed proxy form. Alternatively, you can lodge your proxy appointment online by following the instructions set out in the enclosed proxy form. A proxy need not be a holder of shares.

The Chairman of the meeting, Robert Campbell, is willing to act as proxy for any shareholder who may wish to appoint him for that purpose. Where a direction is not given to the Chairman as to how to cast the vote on any Resolution, then the Chairman intends to vote in favour of the Resolution, except that, as noted below, the Chairman is disqualified from voting on an undirected proxy in respect of Resolution 5 (Approval to issue shares in whole or in part payment of Directors' fees).

No proxy shall be entitled to vote at the meeting unless a proxy form is received by the Company at its registered office at Level 1, 83 Beach Road, Auckland, or by the Share Registrar, Link Market Services, either by post to PO Box 91976, Victoria Street West, Auckland 1142, by email to meetings@linkmarketservices.co.nz, or by fax to 09 375 5990, so as to be received no later than 48 hours before the time set for the meeting. Alternatively, if you elect to appoint your proxy online, this must be completed no later than 48 hours before the time set for the meeting.

Postal voting

A shareholder who is entitled to attend and vote at the meeting may cast a postal vote, instead of attending in person or appointing a proxy to attend. You do not need to appoint a proxy if you cast a postal vote.

If you wish to cast your postal vote, you should complete the enclosed voting paper. Alternatively, you can cast your postal vote online by following the instructions set out in the enclosed voting paper.

Link Market Services Limited has been authorised by the Board to receive and count postal votes at the meeting.

No postal vote will be counted at the meeting unless a voting paper is received by the Company at its registered office at Level 1, 83 Beach Road, Auckland, or by the Share Registrar, Link Market Services, either by post to PO Box 91976, Victoria Street West, Auckland 1142, by email to meetings@linkmarketservices.co.nz, or by fax to 09 375 5990, so as to be received no later than 48 hours before the time set for the meeting. Alternatively, if you elect to cast your postal vote online, this must be completed no later than 48 hours before the time set for the meeting.

Disqualification from voting

Pursuant to the NZSX Listing Rules, each of the Directors of the Company (including the Chairman) and their respective Associated Persons (as defined in the NZSX Listing Rules) are disqualified from voting on Resolution 5 (Approval to issue shares in whole or in part payment of Directors' fees). A person appointed as a proxy who is disqualified from voting on a Resolution may vote in accordance with the directions of the shareholder giving the proxy, but may not exercise a discretionary vote where directions are not given.