



TOURISM HOLDINGS LIMITED

NOTICE OF ANNUAL MEETING

Notice is given that the 2015 Annual Meeting of shareholders of Tourism Holdings Limited (**Company**) will be held at The Heritage Hotel, 35 Hobson St, Auckland at 2pm on Monday, 23 November 2015.

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: **Election of Gráinne Troute**

That Gráinne Patricia Troute (appointed as a Director by the Board on 1 February 2015) be elected as a Director of the Company.

Resolution 2: **Re-election of Rob Campbell**

That Robert James Campbell, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

Resolution 3: **Re-election of David Neidhart**

That David Roman Neidhart, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

Resolution 4: **Director remuneration**

That the maximum aggregate amount of remuneration payable to all Directors taken together (in their capacity as Directors) be increased from \$450,000 to a maximum of \$550,000 with this sum available to be paid to the Directors of the Company as the Board considers appropriate and 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 NZX Main Board Listing Rule 7.3.8.

Resolution 5: **Auditors**

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

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 black ink, appearing to read 'Rob Campbell', followed by a horizontal line.

Rob Campbell
Chairman
15 October 2015

EXPLANATORY NOTES

1. Election of Directors (Resolution 1)

NZX Main Board 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.

Gráinne Troute was appointed as a Director by the Board on 1 February 2015. Gráinne Troute retires from office at the annual meeting but offers herself for election by shareholders. The Board has determined that Gráinne Troute is an Independent Director as defined in the NZX Main Board Listing Rules.

Bio

Independent Director appointed in February 2015. Appointed Chair Remuneration & Nomination Committee in February 2015. Gráinne is currently General Manager Corporate Services for SKYCITY Entertainment Group and her portfolio includes Human Resources, Corporate Communications and Corporate Social Responsibility (CSR) including the SKYCITY Community Trusts. Gráinne joined SKYCITY in May 2008. Previously, she was Managing Director of HR consultancy Right Management, and prior to that, Managing Director of McDonald's Restaurants (New Zealand) Ltd. She joined McDonald's in the early 1990's establishing the Human Resources function, progressing through to Executive Vice-President, and then to Managing Director. Prior to this, she led the HR function for Coopers and Lybrand Auckland (now PwC). In addition to her extensive HR expertise, Gráinne has had wide experience in board and charitable trust governance roles in New Zealand including having been Chair of Ronald McDonald House Charities NZ for five years.

2. Re-election of Directors (Resolutions 2 and 3)

NZX Main Board 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.

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

Bio

*Independent Director appointed in May 2013. Appointed Chairman of **thl** in August 2013 and Chair of Market Disclosure Committee in April 2014. Rob has over 30 years' experience in investment management and corporate governance. Rob is currently Chair of 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 adviser 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.*

David Neidhart is retiring by rotation and, being eligible, offers himself for re-election. David Neidhart is not an Independent Director as defined in the NZX Main Board Listing Rules.

Bio

*Non Independent Director appointed in June 2013. David was proposed for appointment by the Sterling Grace funds, an entity that is a substantial security holder in **thl**. David accumulated more than 4 years of experience in 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.*

3. Director remuneration (Resolution 4)

The Board recommends to shareholders that the maximum annual Directors' remuneration payable to all Directors of *thl* taken together be increased from the current level of \$450,000 to a maximum of \$550,000.

The current limit of \$450,000 has not been increased since it was approved by shareholders in 2003. Over the twelve year period, the proposed increase is equivalent to an annual increase of 1.7% per annum.

In FY15 total Directors' fees paid were \$448,000. The current pool is allocated as follows:

Chairman	120,000
Other Directors base fee	60,000
Chair of audit and risk committee	6,000
Chair of remuneration and nomination committee	5,000
Chair of marketing and customer experience committee	5,000
Overseas Director allowance	5,320

The proposed increase to the fee pool does not mean that existing non-executive Directors will receive immediate fee increases or that the whole amount of the fee pool will be used.

It is intended that the current level of Directors' fees will be benchmarked against the market, taking into consideration the size and scope of the Company, the responsibility of the Directors, the level of governance and the time commitment expected from Directors. If recommended by the Board, Directors' fees will be adjusted from January 2016.

The increase in the Directors' fee pool will be partly available for any resulting increase in fees. The remainder of the pool increase will provide sufficient headroom to allow for the Board to approve payments to Directors for assuming additional responsibilities above and beyond the normal duties of either the Board or any sitting committee. These payments will only be approved in the event of commitments such as business acquisitions or significant strategic projects.

It is intended that any increase in the Directors' fees will be able to be paid by way of an issue of ordinary shares in the Company, in the same way as the current Directors' fees can be.

NZX Main Board 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 NZX Main Board Listing Rule 7.3.8. Shareholder approval was obtained at the Company's 2013 annual meeting for the current level of Directors' fees to be paid in part or in whole by an issue of ordinary shares in the Company. Where Directors' fees are paid by an issue of ordinary shares, this is done in compliance with NZX Main Board Listing Rule 7.3.8 and pursuant to a fixed share plan for Directors whereby Directors who wish to participate enter into a subscription agreement with the Company. Each of Robert Campbell, Graeme Wong, Christina Domecq and Gráinne Troute have entered into subscription agreements with the Company pursuant to which their Directors' fees are to be paid in part or in whole by an issue of ordinary shares in the Company. Shares are issued under the subscription agreements to the participating Directors at six monthly intervals, approximately 20 business days after the Company releases its half year and annual financial results. The shares are 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.

Subject to the passing of Resolution 4, any increase in Directors' fees will be able to be paid by way of an issue of ordinary shares in the Company, under subscription agreements entered into by the Directors.

4. Auditors' remuneration (Resolution 5)

PricewaterhouseCoopers is automatically reappointed as auditor under section 207T of the Companies Act 1993.

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

PROCEDURAL MATTERS

Ordinary resolution

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

Pursuant to NZX Main Board 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 20 November 2015, being 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 4 (Director remuneration).

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 & Online 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 NZX Main Board Listing Rules, each of the Directors of the Company (including the Chairman) and their respective Associated Persons (as defined in the NZX Main Board Listing Rules) are disqualified from voting on Resolution 4 (Director Remuneration). 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.