Notice of Meeting
17 December 2009

Hallenstein
Glasson
Holdings Ltd

Notice Of Meeting

Notice is given that the Annual Meeting of Shareholders of Hallenstein Glasson Holdings Limited (the Company) will be held at The Great Hall, Château on The Park, Cnr Deans Ave and Kilmarnock Street, Christchurch, on Thursday 17 December 2009 at 10:00 am. The shareholders are invited to join the Directors for morning tea at 9:30am prior to the meeting.

Agenda

General Business

1. **Annual Report**
   To receive and consider the Annual Report, the financial statements and the Auditors' Report for the financial year ended 1 August 2009.

2. **To Elect Directors**
   To consider, and if thought fit, to re-elect as Directors of the Company (each by ordinary resolution of the shareholders) the following persons, who retire as Directors by rotation in accordance with the Company's constitution and offer themselves for re-election (see **Explanatory Note**):

   Resolution 2.1 To re-elect Warren Bell as a Director
   Resolution 2.2 To re-elect Graeme Popplewell as a Director

3. **Auditors**
   To record the reappointment of PricewaterhouseCoopers as Auditors of the Company pursuant to section 200(1) of the Companies Act 1993, and authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

Special Business

4. **Financial assistance**
   To consider, and if thought fit, pass the following resolution as an ordinary resolution:
   "That the provision of financial assistance by way of an interest free loan by the Company to Diane Humphries up to a maximum value of $500,000 in accordance with the Hallenstein Glasson Holdings Limited Employee Share Scheme be approved". (See **Explanatory Note**)

Ordinary resolutions

Each of the resolutions to be put before the meeting is an ordinary resolution. An ordinary resolution is a resolution passed by a simple majority (i.e. over 50%) of the votes of shareholders of the Company entitled to vote and voting.

Explanatory Note

Item 2

The Board has determined that neither Warren Bell nor Graeme Popplewell are independent directors. There are currently two designated independent directors: Howard Bretherton and Michael Donovan.

Item 4

In 2006 the Company established the Hallenstein Glasson Holdings Limited Employee Share Scheme (the Scheme) under which the Board may offer loans to selected employees to acquire shares on-market under the Scheme. The Scheme is governed by a document entitled "Terms of the Hallenstein Glasson Holdings Limited Employee Share Scheme" (the Scheme Terms).

A copy of the Scheme Terms is available to shareholders, upon request, at the Company's registered office at 187 Queen Street, Auckland.

Outline of the Scheme

The Scheme involves selected employees being offered the opportunity to acquire shares in the Company on market at the then market price for the shares and being granted a loan by the Company to pay for those shares as described in more detail below. The eligibility of any employee to join the Scheme is determined by the Board in accordance with the policy determined by the Board from time to time.

The purpose of the Scheme is to incentivise senior management to remain with the Company, building up an equity interest over time and aligning their interests as employee shareholders with the interests of all shareholders. To this extent the Board considers that the Scheme, including the financial assistance to be provided under the Scheme described below, is in the best interests of the Company and all shareholders.

The shares acquired under the Scheme are to be held by two directors of the Company or a wholly-owned subsidiary of the Company, who will each hold the shares as trustee for each employee that joins the Scheme (a Participant) subject to the Scheme Terms for a period of three years (the Restrictive Period) or longer if the Restrictive Period is extended under the Scheme Terms. On the expiry of the Restrictive Period the Board must procure the transfer of the shares to the Participant. During the Restrictive Period the shares cannot be sold, unless the employee leaves the employment of the Company, in which case the sale proceeds are used first to repay the loan, and any surplus is paid to the Company not the Participant.

As noted above, the consideration payable for the shares by a Participant will be provided by way of an interest free loan entered into by the Company and the Participant. This constitutes financial assistance under the Companies Act 1993 (the Act).

Current resolution

At the 2006 Annual General Meeting, the shareholders gave approval to Diane Humphries (who was an executive director) being provided with financial assistance up to a maximum value of $500,000. When Ms Humphries left employment in December 2007, her participation in the Scheme was terminated, with the relevant shares being sold and the proceeds applied in repayment of the loan.

On 18 May 2009, Ms Humphries became managing director of the Glassons womenswear business once again, and therefore an executive director once more.

The Board has determined that Ms Humphries should be provided with financial assistance up to a maximum value of $500,000 under the Scheme, based on a recommendation from the Remunerations Committee.

Clause 12 of the Company's constitution and NZSX Listing Rule 7.6.3 provide that the Company may not give financial assistance for the purpose of, or in connection with, the acquisition of shares issued by the Company unless the giving of that financial assistance has been approved in accordance with the provisions of the Company's constitution, the Act and NZSX Listing Rule 7.6.5 or 7.6.6. NZSX Listing Rule 7.6.5 requires approval of financial assistance by shareholders since the financial assistance is being provided to a director of the Company. Accordingly, a resolution is being put before shareholders to approve the financial assistance described below.

The terms of the financial assistance are set out in the Company's Scheme Terms and related form of loan agreement, which each Participant is required to enter into under the Scheme.

The substantive terms of the financial assistance in relation to the current proposal to provide $500,000 of financial assistance to facilitate participation in the Scheme by Ms Humphries, are as follows.

(a) The amount of the loan to Ms Humphries as an executive director is an amount equal to the price paid for the shares acquired on market plus the amount of brokerage fees incurred to effect the acquisition, up to a maximum of $500,000.
(b) The loan will be provided prior to 31 December 2009.
(c) The loan is interest free.
(d) The main terms relating to repayment of the loan are as follows.

    (i) All net distributions and net dividends received in respect of the shares acquired must be applied in repayment of the loan during the Restrictive Period (3 years unless extended in accordance with the Scheme Terms – see (vi) below), together with any other rights or benefits received in respect of the shares that are saleable, or the proceeds of sale of the shares under any takeover offer.
    (ii) If the Participant sells the shares within 2 months after the expiry of the Restrictive Period then the proceeds of such sale shall be applied in repayment of the loan, with any surplus remaining with the Participant, provided that the application of the full proceeds of sale to the repayment of the loan shall be deemed repayment of the loan in the event the proceeds of sale are less than the amount of the loan.
    (iii) If the Participant remains employed by the Company, the Participant may elect to retain the shares following the expiry of the 2-month period with the loan remaining in place. However, if the Participant sells the shares after the 2-month period, then the proceeds of sale shall be applied in repayment of the loan, withany surplus remaining with the participant, provided that any shortfall under the loan must be repaid immediately by the Participant to the Company.
    (iv) If the Participant ceases to be employed by the Company during the Restrictive Period, then the Company shall procure the sale of the shares and the full proceeds shall be applied in repayment of the loan and any surplus paid to the Company, provided that the application of the full proceeds of sale to the repayment of the loan shall be deemed repayment of the loan in the event that the proceeds of sale are less than the amount of the loan.
    (v) If the Participant ceases to be employed by the Company after the Restrictive Period, then the Participant shall not be required to sell the shares but must repay the loan in full.
    (vi) If at the expiry of the Restrictive Period, the value of the loan exceeds the market value of the shares referable to the loan, the Company may extend the Restrictive Period by a further 12 months.

In considering the resolution, shareholders should note that financial assistance in connection with the purchase of shares may only be given by the Company in accordance with the Act. The Act requires, amongst other things, that the directors must pass resolutions in relation to the provision of financial assistance in connection with the purchase of shares. On 4 November 2009 the directors passed resolutions approving the provision of financial assistance to Diane Humphries subject to the approval of shareholders. Accompanying this Notice of Meeting is a disclosure document (the Disclosure Document) which is provided pursuant to section 79 of the Act. The Disclosure Document sets out further details regarding the financial assistance to be provided by the Company to Diane Humphries. The Act requires that the financial assistance must be provided not more than 12 months after the date on which the Disclosure Document is sent to each shareholder.

Also attached to this Notice of Meeting is an appraisal report prepared by Moyle Consulting Limited for shareholders in relation to the financial assistance, which is required under the NZSX Listing Rules to accompany this Notice of Meeting.

Proxies

1. Any shareholder of the Company entitled to attend and vote at the Annual Meeting may appoint a proxy to attend and vote in the place of that shareholder. A proxy need not be a shareholder of the Company.

2. A proxy granted by a company must be executed by a duly authorised officer or attorney of that company.

3. Enclosed with this Notice of Meeting is a proxy form. To be valid, the proxy form must be returned duly completed to the Company's registered office, 187 Queen Street, Auckland, no later than 10.00 am on 15 December 2009.
4. Each of the Directors of the Company listed below offers himself as a proxy to shareholders:

    T C Glasson
    R G Dillon
    H N P Bretherton
    M J Donovan

Appraisal Report

in associate with

Appraisal Report in respect of Hallenstein Glasson Holdings Ltd reinstating Executive Director in Employee Share Scheme

In accordance with Listing Rules 6.2.2(c) and 1.2.2, Moyle Consulting Ltd has been asked to provide an independent appraisal report relating to the reinstatement of Diane Humphries, an Executive Director, as a participant in the Hallenstein Glasson Holdings Limited Employee Share Scheme (the "Scheme") on similar terms and with an identical amount of financial assistance as was provided during her earlier employment. Ms Humphries was originally approved by Hallenstein Glasson Holdings Limited ("Hallenstein" hereafter) shareholders in 2006 when the Scheme was first established.

Diane Humphries is the Managing Director of the Glassons womenswear business, effective 18 May 2009 – the same role she held until she left employment in December 2007. She participated in the Scheme during her earlier employment with financial assistance of $500,000, which was repaid when her employment ended. This request largely replicates the previous terms, conditions and amount of financial assistance provided, that is, $500,000.

This Appraisal Report is addressed to the Hallenstein directors who are not associated with Ms Humphries (this is all Hallenstein directors, other than Ms Humphries) and is for the benefit of Hallenstein shareholders who are not associated with Ms Humphries.

Current Request

In 2006, Hallenstein shareholders approved three Executive Directors, including Ms Humphries, being offered the opportunity under the Scheme to acquire shares in Hallenstein on market at the then market price for the shares, with Hallenstein granting a loan to each Executive to pay for those shares. In Ms Humphries' case, the loan amount was $500,000. Ms Humphries was then employed as Managing Director of the Glassons womenswear division.

The terms of the Scheme apply equally to any employee that joins the Scheme (whether or not an executive director), although the amount of the financial assistance the employee is offered may vary in respect of each employee, as determined by the Board of Directors.

Although Ms Humphries' return to employment is in an identical role and her proposed participation in the Scheme is on similar terms and conditions, a new appraisal report is required to provide details of the financial assistance for the purpose of seeking shareholder authority.

Background

Under the Scheme, which we would describe as a performance share scheme, a Trustee (any two directors of Hallenstein from time to time or any wholly-owned subsidiary of Hallenstein), holds shares acquired under the Scheme as bare trustee for each employee, including any executive director, that joins the Scheme (such employees referred to as Participants), subject to the terms of the Scheme for a period of 3 years. This period of three years is known as the "Restrictive Period" and is an important feature of the Scheme.

Hallenstein provides financial assistance under the Companies Act 1993 by virtue of providing a loan to each Participant to purchase the shares. The key terms relating to these loan arrangements are as follows:

- The amount of the interest free loan is an amount equal to the market price of the shares acquired plus the amount of brokerage fees incurred to effect the acquisition (an amount of $500,000 for Ms Humphries in this case).
- The loan is interest free.
- The main terms relating to repayment of the loan are as follows:

  1. All net distributions and net dividends received in respect of the shares acquired must be applied in repayment of the loan during the Restrictive Period, together with any other rights or benefits received in respect of the shares that are saleable, or the proceeds of sale of the shares under any takeover offer;

  2. If the Participant sells the shares within two months after the expiry of the Restrictive Period then the proceeds of such sale shall be applied in repayment of the loan, with any surplus remaining with the Participant, provided that the application of the full proceeds of sale to the repayment of the loan shall be deemed repayment of the loan in the event that the proceeds of sale are less than the amount of the loan;

  3. If the Participant sells the shares after the above two month period, then the proceeds of such sale shall be applied in repayment of the loan, with any surplus remaining with the Participant, provided that any shortfall under the loan must be repaid directly by the Participant;

  4. If the Participant ceases to be employed by Hallenstein during the Restrictive Period, then Hallenstein shall procure the sale of the shares and the full proceeds shall be applied in repayment of the loan and any surplus paid to Hallenstein, provided that the application of the full proceeds of sale to the repayment of the loan shall be deemed repayment of the loan in the event that the proceeds of sale are less than the amount of the loan;

  5. If the Participant ceases to be employed by Hallenstein after the Restrictive Period, then the Participant shall not be required to sell the shares but must repay the loan in full.

Since the Scheme involves Participants acquiring existing shares already on the market, there is no dilution of the shareholding of existing shareholders under this Scheme, since no new shares are issued. This fact further supports our view that the Scheme is fair and reasonable to Hallenstein shareholders not associated with Ms Humphries.

As noted above, this Appraisal Report relates to the proposed provision of reinstating Ms Humphries, a prior Executive Director and original participant in this Scheme, into the Scheme on a similar basis with an identical amount of financial assistance, after a period during which she was neither employed by Hallenstein, nor participating in the Scheme.

Information relied upon

In completing our opinion in 2006, as the predecessor organisation Sheffield Ltd, we received and relied upon the following information;

- Copy of the Hallenstein Glasson Holdings Ltd Employee Share Scheme document;
- Copy of Resolution and Explanatory Note relating to Approval;
- Background comments from Chapman Tripp;
- Current remuneration package details for the three Executive Directors, provided by Hallenstein.

In completing our opinion at this time in 2009, we have received and relied upon the following information:

- All of the documents referenced above;
- Amended Terms of the Hallenstein Glasson Holdings Ltd Employee Share Scheme;
- Copy of Board Resolution approving Amendment to Employee Share Scheme dated 4 November 2009;
- Background comments from Chapman Tripp;
- Current remuneration package details for Ms Humphries, provided by Hallenstein.

Purpose of Scheme

The Hallenstein Board of Directors recognised in 2006 and continues to recognise that the performance of Hallenstein is dependent on the quality of its people. To maximise shareholder value, it is essential that Hallenstein has remuneration policies and practices that are market competitive and that attract, retain, motivate and reward key employees.

The Scheme was and remains designed:

- To incentivise identified employees (including the Executive Directors) to stay with the business by building equity interests, that is, retention;
- To align their personal interests and outcomes with the interests of all shareholders;
- To create a sense of collective ownership.

To the extent these goals are achieved, and individual and corporate performance improve, Hallenstein and all its shareholders stand to benefit.

As a further observation, management skills, expertise and experience are especially valued during periods of economic difficulty and downturn, such as we now face. These are times when senior executives are tested, and experience and competence count the most. We believe that the existence of the Scheme contributes to Hallenstein's ability to retain and incentivise the participating Executive Directors, and in this case, to "re-attract" Ms Humphries to her prior position of employment. Our understanding is that Ms Humphries' return was warmly and widely welcomed, reflecting her successful track record in the business.

In summary, in today's challenging economic environment, it is especially important for companies to retain high calibre, experienced executives to deal effectively with those challenges. Such an executive in the adversely affected retail sector, like Ms Humphries, would be especially desirable to attract and retain.

Conclusions

We believe that the consideration and the terms and conditions of the financial assistance that are intended to be provided to Diane Humphries are fair to the shareholders of Hallenstein not associated with Ms Humphries. Moyle Consulting Ltd fully supports the financial assistance offered as an integral part of the Scheme at Hallenstein, and supports extension of the $500,000 loan advance to Ms Humphries in conjunction with her renewed participation in the Scheme. Specifically:

- Financial assistance in the amount proposed for Ms Humphries enables Ms Humphries to obtain a sufficient ownership stake such that the Scheme is personally meaningful and therefore likely to be effective.
- The Restrictive Period reinforces the retention aspects of this plan. That is, since the value of the plan cannot be realised until at least 3 years has elapsed, Hallenstein has helped to support the continued employment and focus of Ms Humphries over that time.
- The potential dollar value of the financial assistance, i.e. up to $500,000 by way of an interest free loan for Ms Humphries is appropriate as a long term component of her own total cost remuneration package. We have obtained and reviewed her current remuneration package and can state that the value of the proposed financial assistance over the Restrictive Period is reasonable and fair in the context of current market practice and levels. Although the incidence of long term plans such as this Scheme is relatively low in New Zealand, where these do exist, the proposed value is appropriate.

Please note that Hallenstein operates its retail business in both New Zealand and Australia. Long Term Incentive plans are more prevalent and more generous in Australia than in New Zealand. Since Hallenstein operates and recruits managers in both markets, it is sensible that it adopt a remuneration approach that "straddles" and reflects both. The Hallenstein Scheme is conservative from an Australian standpoint in terms of structure and values.

In summary, it is our view that such schemes represent current best practice in New Zealand and can serve as an important tool in retaining key executives and creating critical alignment and line-of-sight between the individual and the shareholders.

For the reasons set out in this Report, we therefore conclude that the consideration and terms and conditions of the provision of the financial assistance to Diane Humphries as described above are fair to the shareholders of the Hallenstein not associated with Ms Humphries. As an Executive Director, Ms Humphries' full participation in the Scheme should be approved.

Other Matters

We believe that the information provided by Hallenstein to its shareholders (the Notice of Meeting (including the Explanatory Note) and the Moyle Consulting Ltd Appraisal Report, in addition to the disclosure document provided under the Companies Act), are sufficient to enable holders to understand all relevant factors, and make informed decisions in respect of the provision of the financial assistance.

We believe that we have obtained all information which is desirable for the purposes of preparing the Report.

There are no material assumptions on which Moyle Consulting Ltd's opinion is based.

There are no terms of reference which may have materially restricted the scope of the Moyle Consulting report.

There is no disclaimer to our opinion.

Moyle Consulting Ltd

Moyle Consulting Ltd is a market-based remuneration consultancy providing New Zealand's most current market intelligence and data on matters of remuneration. With an extensive "live" database and more than 20 years of history to draw upon, Moyle Consulting provides the most relevant market information and expertise to enable the design of remuneration strategies that attract, retain and reward top talent.

In June 2009, Moyle Consulting Limited was established to acquire the Sheffield Ltd remuneration consulting practice and services. Moyle Consulting Ltd is owned and operated by Jarrod E Moyle who was employed by Sheffield Ltd for six years in the remuneration consulting team, and served as Team Leader for the last two and a half years.

Sheffield Ltd offered remuneration services for almost 25 years, but in an early 2009 restructure, chose to focus on other core practices. The remuneration practice was sold to Jarrod Moyle, but Sheffield retains several sharing arrangements, "co-branding" and preferred provider status, although no actual ownership stake.

As part of the purchase by Moyle Consulting, all remuneration databases, surveys, IP, customer lists, technology etc. were sold. In addition to Jarrod Moyle, three prior Sheffield Remuneration Team staff now work with/for Moyle Consulting to provide additional continuity and consistency, including Sherry Maier, who was employed by Sheffield Ltd between 2004 and early 2009.

Moyle Consulting will continue to produce the well-known annual CEO Survey, the annual Senior Executive Surveys, the annual Director Fee Survey and produce the monthly "Rem on-Demand" online remuneration resource centre. These products are offered in addition to ongoing consultation and benchmarking services to corporate clients in all sectors throughout New Zealand.

Discussion - Market Context

Looking across the entire New Zealand market, it is difficult to estimate how many organisations operate long term incentive plans (LTIs") of any sort. Traditionally, such plans have been the purview of publicly listed companies for the obvious reasons that they actually have traded shares, and can offer liquidity and ready valuation. Disclosure requirements in annual reports published by publicly listed companies have provided the base data compiled in market surveys. The 2006 Hay Group Survey, for example, reviewed 47 long term incentive plans derived from publicly available information, suggesting that these are most likely plans at publicly listed New Zealand companies.

We have long known, however, that long term plans utilising cash instead of shares are in place at a range of privately owned, cooperative, or government-owned entities where equity participation is not possible. Recent years of record low unemployment and scarce labour skills have produced a surge of interest in such long term plans, as employers are desperate to hang on to key individuals. Such cash plans can incorporate measures aligned with key business or financial outcomes or act as "phantom shares". They can incorporate the same sorts of vesting or deferral schedules included in conventional share plans. Actually, cash plans can be simpler and less expensive to establish and run than traditional share plans since they do not involve various tax and legal issues.

In discussions with clients, the primary issue is consistently anxiety about retaining key managers – and only secondarily issues of remuneration strategy or philosophy. Long term plans are widely recognised as an effective source of "retention glue", and this fact has sparked wide interest.

In recent years, share options schemes have declined internationally in popularity, while more conventional share schemes have become more widely used. These changes were initially triggered by several widely publicised cases of options plans involving irregularities in the United States. More importantly, this shift recognises that option plans, unlike share plans, have no real downside risk for the executive and accordingly, are unlike the risks faced by shareholders. Interests are not well aligned.

A phenomenon seen during the global financial crisis is the termination by some companies of their long term share plans. With the drop in stock markets and sometimes poor corporate performance, option type plans may be "underwater", vesting targets may be unmet in performance type plans, or share prices be so low that the potential value of the plans have plummeted. All in all, the effectiveness of the plans may be in doubt.

In New Zealand, for example, Nuplex Industries Ltd cancelled its 2004 Performance Share Rights Scheme in September 2009 stating that the movement in the share markets had rendered the scheme "obsolete" and no longer serving Nuplex's "best interests."

However, most companies with such plans, including Hallenstein, have stayed the course, believing that plan participants should face the same sort of market risk as does any shareholder. The retention and alignment aspects of the plan remain. In fact, Hallenstein's response to the difficult economic environment was to allow for a one year extension to the Restrictive Period, to provide management time to recover and provide an additional measure of protection against loss to shareholders.

In terms of the loan amount for Ms Humphries of $500,000, and the 3 year Restrictive Period, these are both typical and appropriate for the current New Zealand market place in our view. When these plans were first developed, five year terms were most common, but over time as careers "shortened", three years became more typical. The extension feature is a shift to a more conservative, longer term view, in our opinion.

As a proportion of Ms Humphries' total cost package, the "annualised" amount is well within the typical range for a Managing Director or Chief Executive Officer of a publicly listed business of the financial size and stature of Hallenstein. Annual LTI values in New Zealand, as percentages of total remuneration packages, fall below those offered in other international markets where long term plans are more prevalent generally.

Ownership

Internationally, studies indicate that generally over time, executives with share ownership or the opportunity for share ownership, generate greater shareholder returns. These executives are effectively walking in the shoes of the shareholder, aligned with its fortunes, and can personally benefit from the steady long-term growth of value in the business through their personal ownership stakes.

The key effect of ownership is the alignment of personal and corporate interests. If and as value is created and recognised in the market, the executive shares proportionately in that value. That value may be in the form of profitability, growth, cash flow or other measures, all of which would be ultimately reflected in the market price of the shares.

Retention

To reiterate points above, employers have long focussed attention on retention strategies to secure skilled staff and executives in markets such as New Zealand where employment has been strong and certain skills and talents are in short supply. In some cases, when an executive is lost, there is simply no candidate of comparable skill or experience available.

Moyle Consulting receives regular inquiries from client companies of various sizes, ownership and industry in developing and instituting long term incentive plans. The objectives are only secondarily reward, motivation, or enlightened remuneration policy. Primarily, the driver is retention. Long term incentive plans generally, and share ownership plans specifically, are recognised as being effective tools to retain key executives. Hallenstein anticipated this need by instituting its Employee Share Scheme in 2006 and has chosen to stay the course as the environment has become more challenging.

Yours sincerely

Sherry Maier
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Moyle Consulting Limited
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Disclosure To Shareholders Of Financial Assistance

To: **The Shareholders**
Hallenstein Glasson Holdings Limited

Disclosure to shareholders of financial assistance

1. Hallenstein Glasson Holdings Limited (the Company) proposes to give financial assistance to Ms Diane Humphries for the purchase of shares in the Company on market in accordance with the terms of the Hallenstein Glasson Holdings Limited Employee Share Scheme (the Scheme).
2. Under the Scheme, the Board may offer loans to selected employees to acquire shares on market under the Scheme. These loans constitute financial assistance (as defined in the Companies Act 1993 (the Act)) to participants under the Scheme.
3. The terms of the financial assistance, which is to be made pursuant to section 76(1)(b) of the Act and which is subject to shareholders approving the resolution set out under Item 4 in the Notice of Meeting which this document accompanies, are as follows.

   3.1 The financial assistance is to be provided by way of a loan to Ms Diane Humphries, with the amount of the loan being anamount equal to the market price of the shares acquired plus the amount of brokerage fees incurred to effect the acquisition. This will not exceed $500,000.
   3.2 The loan is interest free.
   3.3 The main terms relating to repayment of the loan are as follows.

      (a) All net distributions and net dividends received in respect of the shares acquired must be applied in repayment of the loan during the restrictive period (3 years unless extended pursuant to the terms of the Scheme), together with any other rights or benefits received in respect of the shares that are saleable, or the proceeds of sale of the shares under any takeover offer.
      (b) If the participant sells the shares within 2 months after the expiry of the restrictive period then the proceeds of such sale shall be applied in repayment of the loan, with any surplus remaining with the participant, provided that the application of the full proceeds of sale to the repayment of the loan shall be deemed repayment of the loan in the event the proceeds of sale are less than the amount of the loan.
      (c) If the Participant remains employed by the Company, the Participant may elect to retain the shares following the expiry of the 2-month period with the loan remaining in place. However, if the participant sells the shares after the 2 month period, then the proceeds of sale shall be applied in repayment of the loan with any surplus remaining with the participant, provided that any shortfall under the loan must be repaid immediately by the participant to the Company.
      (d) If the participant ceases to be employed by the Company during the restrictive period, then the Company shall procure the sale of the shares and the full proceeds shall be applied in repayment of the loan and any surplus paid to the Company, provided that the application of the full proceeds of sale to the repayment of the loan shall be deemed repayment of the loan in the event that the proceeds of sale are less than the amount of the loan.
      (e) If the participant ceases to be employed by the Company after the restrictive period, then the participant shall not be required to sell the shares but must repay the loan in full.

4. To initiate the proposed financial assistance described above, the Board resolved on 4 November 2009 that:

   - "the giving of the financial assistance is in the best interests of the Company and is of benefit to those shareholders not receiving the financial assistance;
   - the terms and conditions under which the financial assistance is given are fair and reasonable to the Company and to those shareholders not receiving the financial assistance".

5. This disclosure document is given to you pursuant to section 78(5) of the Act and complies with section 79 of the Act.

Yours faithfully

Warren Bell
Chairman of Directors
26 November 2009