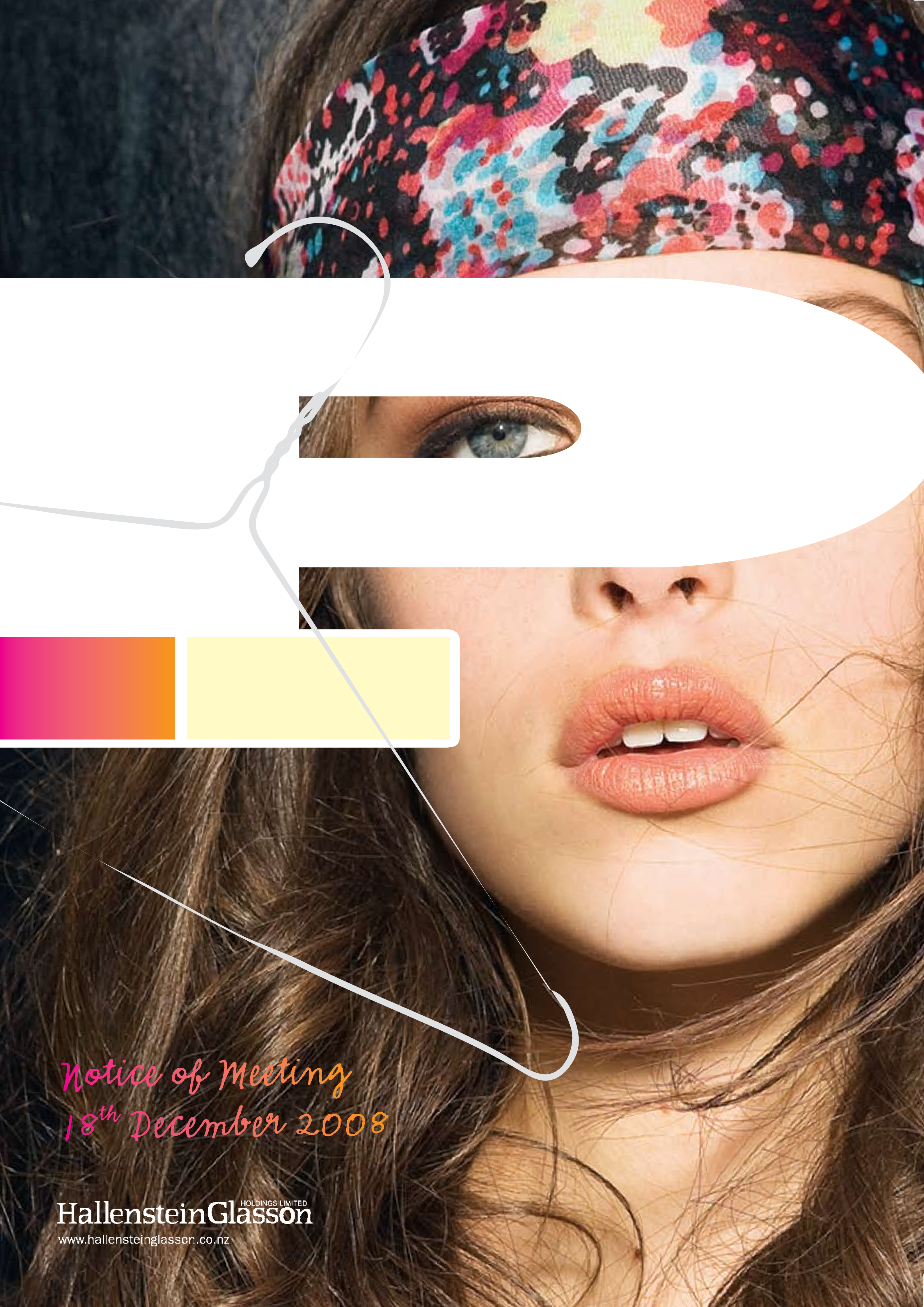

Notice of Meeting
18th December 2008

HallensteinGlasson HOLDINGS LIMITED

www.hallensteinglasson.co.nz

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 18th December 2008 at 10.00 am. The shareholders are invited to join the Directors for morning tea at 9.30am prior to the meeting.

AGENDA

ORDINARY BUSINESS (ORDINARY RESOLUTIONS)

1 Annual Report
To receive and consider the Annual Report, the financial statements and the Auditors' Report for the financial year ended 1 August 2008

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:

Resolution 2.1: To re-elect Mr M Donovan as a Director
Resolution 2.2: To re-elect Ms D Humphries as a Director
Resolution 2.3: To re-elect Mr M Wagenheim 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.

4 Special Business
To consider, and if thought fit, pass the following resolution as an ordinary resolution:
"That the provision of financial assistance by the Company to Graeme Popplewell up to a maximum value of $250,000 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 are ordinary resolutions. 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
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 Document).

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 who will hold the shares as trustee for each employee that joins the Scheme (a Participant) subject to the terms of the Scheme for a period of three years (the Restrictive Period). 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 a 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 three executive directors being provided with financial assistance up to a maximum value of $500,000 in each case. One of the three executive directors was Graeme Popplewell, the chief financial officer. The Board subsequently determined that Mr Popplewell's initial participation in the Scheme should be to a limit of $250,000 on the basis that the Board may at a later date increase his level of participation in the form of further financial assistance to a level of $250,000 (making $500,000 in total as originally authorised by the shareholders).

The Board has now determined that this should occur based on a recommendation from the Remuneration Committee.

Clause 12 of the Company's constitution and NZSX Listing Rule 7.6.4 states that a 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 Rules 7.6.5 and 7.6.6. NZSX Listing Rule 7.6.6 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 Scheme Document and related form of loan agreement of the Company which each participant in the Scheme is required to enter into under the Scheme.

The substantive terms of the financial assistance are as follows with respect to Mr Popplewell, in relation to the current proposal to provide an additional $250,000 of financial assistance to facilitate further participation in the Scheme by Mr Popplewell:

(a) The amount of the loan to Mr Popplewell as an executive director is an amount equal to the market price of the shares acquired plus the amount of brokerage fees incurred to reflect the acquisition, up to a maximum of $250,000.

(b) The loan will be provided prior to 31 December 2008.

(c) The loan is interest free.

(d) The main terms relating to repayment of the loan are as follows:

- All net distributions and net dividends received in respect of the shares acquired must be applied in repayment of the loan during the restricted period (3 years), 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;
- If the participant sells the shares within 2 months after the expiry of the restricted period then the proceeds of such sale shall be applied in repayment of the loan, together 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;
- 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 directly by the participant;
- If the participant ceases to be employed by the Company during the restricted 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;
- If the participant ceases to be employed by the Company after the restricted period, then the participant shall not be required to sell the shares but must repay the loan in full.

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 27 November 2008 the directors passed resolutions approving the provision of financial assistance to Graeme Popplewell subject to the approval of shareholders. Accompanying the 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 Graeme Popplewell. 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 Sheffield Limited in relation to the financial assistance which is required under the Listing Rules to accompany the 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 the 16th of December 2008.

4 Each of the Directors of the Company listed below offers himself as a proxy to shareholders:

W J Bell (Chairman)
T C Glasson
R G Dillon

Appraisal Report

Appraisal Report in respect of Hallenstein Glasson Holdings Ltd giving second advance to Executive Director in relation to the existing Employee Share Scheme

In accordance with Listing Rules 6.2.2(c) and 1.2.2, Sheffield Ltd has been asked to provide an independent appraisal report relating to the provision of the contemplated second advance of financial assistance to Graeme Popplewell, an Executive Director of Hallenstein Glasson Holdings Limited *(the Company or Hallenstein)* under the Employee Share Scheme *(the Scheme)* that the Company approved and implemented in October 2006, and which is described in more detail below. Graeme Popplewell is the Group Finance Director at Hallenstein.

This appraisal report is prepared for the benefit of the shareholders of the Company, as was our appraisal report dated 10 October 2006 supporting the original request for approval of the financial assistance for the initial allocations to executive directors under the Scheme, which was approved by Company shareholders.

CURRENT REQUEST

In 2006, shareholders approved three Executive Directors, including Mr Popplewell, being offered the opportunity under the Scheme to acquire shares in Hallenstein on market at the then market price for the shares, with the Company granting a loan to each Executive Director to pay for those shares, in each case up to an amount of $500,000.

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 varies in respect of each employee, as determined by the Board of Directors.

Although shareholders of the Company approved financial assistance of up to $500,000 for Mr Popplewell at that time, the Company in fact, limited his participation to $250,000 in 2006, with the express intention to increase that participation at a later date through a second advance.

The Board of Directors now intends to provide that planned second $250,000 advance of financial assistance in relation to acquiring more shares on-market under the existing Scheme (making $500,000 in total as originally authorised by the shareholders).

This current appraisal report is required simply because the previous shareholder authority expired after 12 months, and a new one is therefore now required.

BACKGROUND

Under the Scheme, a Trustee (any two directors of the Company from time to time), holds shares acquired under the Scheme as bare trustee for each employee 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 (including each Executive Director), 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 $250,000 for Mr Popplewell 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 acquiredmust 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 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;

5 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.

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 shareholders.

As noted above, this Appraisal Report relates to the proposed provision of financial assistance to Mr Popplewell of $250,000 so that he can acquire shares in the Company under the Scheme on the terms described above.

INFORMATION RELIED UPON

In completing our opinion in 2006, 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 2008, we have received and relied upon the following information:

- All of the documents referenced above;
- Additional background comments from Chapman Tripp;
- Current remuneration package details for Mr Popplewell, provided by Hallenstein.

PURPOSE OF SCHEME

The Hallenstein Board recognised in 2006 and continues to recognise that the performance of the Company is dependent on the quality of its people. To maximise shareholder value, it is essential that the Company 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 up equity interests, i.e. retention;
- To align their personal interests and outcomes with the interests of all shareholders.

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

In today's challenging economic environment, it is more important than ever for companies to retain high calibre, experienced executives to deal effectively with those challenges. Experienced financial executives, such as Mr Popplewell, would be especially critical.

CONCLUSIONS

We believe that the consideration and the terms and conditions of the financial assistance that are provided to the Executive Directors remain fair to the shareholders of the Company. Sheffield Ltd fully supports the financial assistance offered as an integral part of the proposed Scheme at Hallenstein, and supports payment of the second $250,000 advance to Mr Popplewell to complete the originally contemplated transaction. Specifically:

- Financial assistance in the amount proposed for Mr Popplewell, enables Mr Popplewell to obtain a sufficient ownership stake such that the Scheme is personally meaningful and therefore likely to be effective.
- The 3-year Restrictive Period reinforces the retention aspects of this plan. That is, since the value of the plan cannot be realised until 3 years has elapsed, the Company has helped ensure the continued employment and focus of Mr Popplewell over that time frame.
- The potential dollar value of the financial assistance, i.e. up to $250,000, by way of an interest free loan for Mr Popplewell is appropriate as a long term component of his own total cost remuneration package. We have obtained and reviewed his current remuneration package and can state that the value of the proposed financial assistance over the 3 year time 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 it does exist, the proposed value is certainly appropriate.

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 conclude that the consideration and terms and conditions of the provision of the financial assistance to the Executive Directors as described above were and remain fair to the shareholders of the Company, and that Mr Popplewell's full participation in the Scheme should be approved.

OTHER MATTERS

We believe that the information provided by the Company to the shareholders (the Notice of Meeting, Explanatory Note and the Sheffield Ltd Appraisal Report, in addition to the disclosure document under the Companies Act) is 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 Sheffield Ltd's opinion is based.

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

There is no disclaimer to our opinion.

SHEFFIELD LTD

Sheffield Ltd has one of the largest databases of "Total Package" remuneration information in New Zealand with data on over 10,000 individual positions collected annually through our published surveys, our consulting assignments and by our Search and Recruiting consultants (who collectively interview an average of 200 candidates per month from all parts of the country). Additionally, our annual 2008 New Zealand CEO Survey includes data on 501 Managing Directors and Chief Executive Officers, making it the most current and comprehensive survey of its type in New Zealand. Finally, Sheffield's annual Senior Executive Survey series presents market data by functional area for second and third level executives including financial, sales, manufacturing etc.

Analysis and interpretation of our market database is the foundation of our remuneration consulting and advice. Since we collect remuneration package data in as much detail as possible, we believe we are well placed to comment specifically on both current "state-ofplay" and best practice in New Zealand. Lastly, since we have been collecting and assessing market data for 25 years, we can identify market trends and developments.

Sheffield Ltd is a strong advocate of well-designed performance pay plans, including share ownership plans, as a means to improve individual and organisational performance.

DISCUSSION - MARKET CONTEXT

Looking across the entire New Zealand market, our research indicates that only four to five dozen organisations operate long term incentive plans ("LTI's") of any sort. For obvious reasons such as liquidity and ready valuation, share schemes largely exist only in publicly listed businesses. (New Zealand has long lagged Australia in both the incidence and quantum of LTI's.)

Among the New Zealand plans, share loan plans, such as the Employee Share Scheme offered at Hallenstein, are commonly used because of their generally greater tax efficiency. Financial assistance in the form of loans is typically a feature of such plans, as an enabler for a meaningful ownership stake. The ownership position needs to be large enough to engage, motivate and focus the executive, and are incorporated as part of the overall remuneration package size and value.
Such loans are typically interest free, as are the Hallenstein loans.

In recent years, share option schemes have declined internationally in popularity, while share schemes of all sorts have become more widely used. These changes reflect some irregularities and accounting problems for options plans in the United States, but also recognise that options, unlike shares, really have no downside risks for the executive/share owner and thus may incent the wrong actions or behaviours.

In terms of the loan amount for Mr Popplewell of $500,000 (adding the first and second advances of $250,000 each), and 3-year restrictive period, these are appropriate for the New Zealand environment. Five year terms used to be more typical, but as job mobility has increased and careers "shortened," three-years is the norm today.

As a proportion of the total cost remuneration package for Mr Popplewell, the "annualised" amount is at the upper end of the typical range for senior executives in New Zealand, but still entirely appropriate for a long tenure, key executive for a publicly listed business of the financial size and stature of Hallenstein. Annual LTI values in New Zealand, as percentages of total remuneration packages, are well below those delivered in Australia or other relevant markets.

RETENTION

Since unemployment remains relatively low at 4.2% (September 2008) and that unemployment is largely restricted to certain pockets of low-skilled work, there is little relief for the ongoing talent and skills shortages plaguing New Zealand over the past five years. Accordingly, many employers have focussed their attention on effective retention strategies to secure their staff and executives. In some cases, when an executive is lost, there is simply no candidate of comparable skill or experience available in the market.

Sheffield continues to receive requests from client companies of various sizes and industries in developing and instituting long term incentive plans that provide the sort of "glue" needed to retain key people. The key driver behind this keen interest is not reward, not motivation and not remuneration policy. Rather, it is pure retention. **Long term incentive plans generally, and share ownership plans specifically, are recognised as being effective tools to retain executives.** Hallenstein has effectively anticipated this need by instituting its Employee Share Scheme in 2006.

OWNERSHIP

Internationally, studies indicate that 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 success, and canpersonally benefit from the steady long-term growth of value in the business through their own stake.

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 individual executive shares proportionately in that value. That value may be in the form of profitability, growth, cash flow or other measures, all of which ultimately would be reflected in the market price of the shares.

Yours sincerely

Sherry Maier
Senior Reward Consultant
Sheffield Ltd
Auckland

Disclosure To Shareholders Of Financial Assistance

TO: THE SHAREHOLDERS
HALLENSTEIN GLASSON HOLDINGS LTD

DISCLOSURE TO SHAREHOLDERS OF FINANCIAL ASSISTANCE

1 Hallenstein Glasson Holdings Limited *(the Company)* proposes to give financial assistance to Mr Graeme Popplewell 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) 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 Companies Act 1993 and which is subject to shareholders approving the resolution set out under Item 4 in the Notice of Meeting accompanying this document, are as follows:

3.1 the financial assistance is to be provided by way of a loan to Mr Graeme Popplewell, with the amount of the loan being an amount equal to the market price of the shares acquired plus the amount of brokerage fees incurred to effect the acquisition;

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 restricted period (3 years), 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 restricted period then the proceeds of such sale shall be applied in repayment of the loan, together 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 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 directly by the participant;

(d) If the participant ceases to be employed by the Company during the restricted 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 restricted 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 27 November 2008 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 Companies Act 1993 and complies with section 79 of the Companies Act 1993.

Yours faithfully

Warren Bell
Chairman of Directors
27 November 2008