

# **SOUTHERN TRAVEL HOLDINGS JOINT VENTURE**

## **FULL TAKEOVER OFFER FOR SHARES IN SOUTHERN TRAVEL HOLDINGS LIMITED**

### **IMPORTANT**

If you are in doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your shares in Southern Travel Holdings Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or the agent (e.g. the broker) through whom the sale was made, to be passed to the purchaser.

Southern Travel Holdings Limited's target company statement, together with an independent adviser's report on the merits of this offer either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR URGENT ATTENTION**

## SUMMARY OF THE OFFER

Existing shareholders of Southern Travel Holdings Limited (“**STH**”) Rodney Walshe Limited, Kiyomi Gunji, Kazue Gunji, Argyle Trustee Limited, Russell John Field and Anthony James Palmer (jointly), Keith Fraser Johnston and Judith Gay Johnston (jointly), Bancorp Strategic Management Limited, Kerry Anne Graham, Awatea Investments Limited, Ian Graham Douglas, Geoffrey Donald Campbell Walker and Martin Victor Richardson (jointly), Terry Bryce Horne and Margaret June Horne (jointly), Michael Hall, Terry Bryce Horne and Barbara Lesley Horne (jointly), Frances Denise Flanagan, Timothy George Mason Horne and Christie Elsa Alison Horne are members of an unincorporated joint venture by the name of “Southern Travel Holdings Joint Venture” (“**STHJV**”) pursuant to a Joint Venture Agreement and are associates of each other for the purposes of the Takeovers Code.

Under the terms of the Joint Venture Agreement, STHJV has appointed STH JV Nominee Limited (“**STHJV Nominee**”) as its nominee to acquire fully paid ordinary shares in STH (“**Shares**”) and to hold such Shares as bare trustee and nominee on behalf of STHJV.

STHJV is offering to acquire all of the Shares not already held or controlled by STHJV (our “**Offer**”). The key terms of our Offer are:

<b>Offer Price for Shares</b>	<b>30 cents per Share in cash.</b>
<b>Full Offer</b>	Our Offer is for 100% of the Shares not already held by STHJV.
<b>Condition</b>	<p>Our Offer is conditional only on us receiving acceptances to our Offer which will result, when taken together with those Shares already held or controlled by STHJV, in us holding or controlling 90% of the Shares.</p> <p>As we already hold or control more than 90% of the Shares, this condition will be satisfied if we receive an acceptance for one or more Shares. A shareholder has committed to accept our Offer within three business days after the shareholder receives our Offer. Accordingly, we expect the minimum acceptance condition to be satisfied in the first week of our Offer.</p>
<b>Offer Period</b>	This Offer is dated <input checked="" type="checkbox"/> 2015 (“ <b>Offer Date</b> ”) and remains open for acceptance until 11.59 pm on <input checked="" type="checkbox"/> 2015 (“ <b>Closing Date</b> ”) (unless extended in accordance with the Takeovers Code).
<b>Payment Date</b>	<p>If you accept our Offer you will be paid no later than seven days after the later of the date on which we receive your acceptance and the date on which our Offer becomes unconditional.</p> <p>All Shares acquired under our Offer will be transferred to and paid for by STHJV Nominee in its capacity as bare trustee and nominee of STHJV.</p>

**THIS IS A SUMMARY OF OUR OFFER ONLY. DETAILED TERMS AND CONDITIONS OF OUR OFFER ARE SET OUT ON THE FOLLOWING PAGES. YOU SHOULD READ THESE CAREFULLY AND IN FULL.**

## HOW TO ACCEPT

<b>Closing Date</b>	<p>Our Offer closes 11.59 pm on <b>[x]</b> 2015 (unless extended in accordance with the Takeovers Code).</p> <p>If you wish to <b>ACCEPT</b> our Offer, you must ensure that your acceptance is sent <b>AS SOON AS POSSIBLE</b>, but in any event so that it is received by us on or before the Closing Date.</p>
<b>How to ACCEPT</b>	<p>Complete the enclosed Acceptance Form in accordance with the instructions set out on that form and either email, mail (in the reply-paid envelope which is enclosed with this Offer Document), hand deliver or fax it as follows:</p> <p><b>Email to:</b></p> <p>Southern Travel Holdings Joint Venture, c/- Link Market Services Limited at: <a href="mailto:operations@linkmarketservices.com">operations@linkmarketservices.com</a></p> <p>If you do this, please type "STHJV Acceptance" in the subject line for easy identification and you should post your original Acceptance Form to the mailing address below (although if you do not your acceptance will still be valid).</p> <p><b>Mail</b> (in the reply-paid envelope which is enclosed with this Offer Document) to:</p> <p>Southern Travel Holdings Joint Venture c/- Link Market Services Limited PO Box 91976 Auckland 1142 New Zealand</p> <p><b>Hand deliver to:</b></p> <p>Southern Travel Holdings Joint Venture c/- Link Market Services Limited Level 7, Zurich House 21 Queen Street Auckland 1010 New Zealand</p> <p><b>Fax to:</b></p> <p>Southern Travel Holdings Joint Venture, c/- Link Market Services Limited, on +64 9 375 5990.</p> <p>If you do this, you should post your original Acceptance Form to the mailing address above (although if you do not your acceptance will still be valid).</p>
<b>If you have lost your Acceptance Form or if you have any other questions in relation to the Offer</b>	<p>Please contact Link Market Services Limited on:</p> <p>Telephone: +64 9 375 5998 Fax: +64 9 375 5990 Email: <a href="mailto:enquiries@linkmarketservices.co.nz">enquiries@linkmarketservices.co.nz</a></p> <p>Alternatively, you should contact your financial or legal adviser.</p>

## OFFER TERMS AND CONDITIONS

Existing shareholders of Southern Travel Holdings Limited (“**STH**”) Rodney Walshe Limited, Kiyomi Gunji, Kazue Gunji, Argyle Trustee Limited, Russell John Field and Anthony James Palmer (jointly), Keith Fraser Johnston and Judith Gay Johnston (jointly), Bancorp Strategic Management Limited, Kerry Anne Graham, Awatea Investments Limited, Ian Graham Douglas, Geoffrey Donald Campbell Walker and Martin Victor Richardson (jointly), Terry Bryce Horne and Margaret June Horne (jointly), Michael Hall, Terry Bryce Horne and Barbara Lesley Horne (jointly), Frances Denise Flanagan, Timothy George Mason Horne and Christie Elsa Alison Horne are members of an unincorporated joint venture by the name of “Southern Travel Holdings Joint Venture” (“**STHJV**”) pursuant to a Joint Venture Agreement and are associates of each other for the purposes of the Takeovers Code.

Under the terms of the Joint Venture Agreement, STHJV has appointed STH JV Nominee Limited (“**STHJV Nominee**”) as its nominee to acquire fully paid ordinary shares in STH (“**Shares**”) and to hold such Shares as bare trustee and nominee on behalf of STHJV.

### 1. OUR OFFER

- 1.1 We, STHJV, offer to purchase all of your Shares on the terms, and subject to the conditions, set out in this Offer Document (our “**Offer**”).
- 1.2 Our Offer to purchase your Shares includes the purchase of all rights, benefits and entitlements (such as entitlements to dividends, bonuses and other payments and distributions of any nature) which attach to your Shares on, after, or by reference to 24 February 2015 (“**Entitlements**”). That date is the “**Effective Date**” for the purposes of our Offer.
- 1.3 Our Offer is dated  2015 and will remain open for acceptance by you until 11.59 pm on the “**Closing Date**”, which is:
- (a)  2015; or
  - (b) if the Offer is extended to a later date in accordance with the Takeovers Code, that later date.
- 1.4 We may extend our Offer and the Closing Date one or more times.

### 2. OUR OFFER PRICE

- 2.1 STHJV Nominee will pay you **30 cents in cash** for each Share for which you accept our Offer.
- 2.2 The price that STHJV Nominee will pay you for your Shares may be adjusted by us in accordance with paragraphs 8.1, 8.4 and 8.6. If we adjust the price, references to the price in paragraph 2.1 will be to the price as adjusted.

### 3. WHEN YOU WILL GET PAID

- 3.1 STHJV Nominee will pay you the price for your Shares no later than seven days after the later of:
- (a) the date on which we receive your acceptance of our Offer; and
  - (b) the date on which our Offer becomes unconditional.

- 3.2 If STHJV Nominee does not send you payment for your Shares in the period specified in paragraph 3.1, you may withdraw your acceptance of our Offer by notice in writing to us, but only:
- (a) after the expiration of seven days written notice to us of your intention to do so; and
  - (b) if you do not receive the price for your Shares during the seven day period referred to in paragraph (a).
- 3.3 Further information about how STHJV Nominee will pay you is set out in paragraph 7.

#### 4. HOW TO ACCEPT OUR OFFER

4.1 This Offer Document is accompanied by an Acceptance Form for you to use to accept our Offer for your Shares.

4.2 To accept our Offer, you need only:

- (a) complete the Acceptance Form for our Offer in accordance with the instructions on the Acceptance Form; and
- (b) return the completed Acceptance Form to us by email, mail (in the reply-paid envelope which is enclosed with this Offer Document), hand delivery or facsimile **AS SOON AS POSSIBLE** after receipt of our Offer, but in any event so that it is received by us by no later than 11.59 pm on the Closing Date, to:

**Email to:**

Southern Travel Holdings Joint Venture, c/- Link Market Services Limited at:  
[operations@linkmarketservices.com](mailto:operations@linkmarketservices.com)

If you do this, please type "STHJV Acceptance" in the subject line for easy identification and you should post your original Acceptance Form to the mailing address in sub-paragraph (b) below (although if you do not your acceptance will still be valid).

**Mail** (in the enclosed prepaid envelope) to:

Southern Travel Holdings Joint Venture  
c/- Link Market Services Limited  
PO Box 91976  
Auckland 1142  
New Zealand

**Hand deliver** to:

Southern Travel Holdings Joint Venture  
c/- Link Market Services Limited  
Level 7, Zurich House  
21 Queen Street  
Auckland 1010  
New Zealand

**Fax** to:

Southern Travel Holdings Joint Venture, c/- Link Market Services Limited, on +64 9 375 5990.

If you do this, you should post your original Acceptance Form to the mailing address in sub-paragraph (b) above (although if you do not your acceptance will still be valid).

We will not provide you with any acknowledgement of receipt of your Acceptance Form.

- 4.3 If you lose or damage your Acceptance Form, please request another one from STH's share registrar, Link Market Services Limited, at the contact details set out above, or by calling +64 (0)9 375 5998.
- 4.4 If we receive an Acceptance Form after the Closing Date which bears a postmark or other evidence of postage or despatch on or prior to 11.59 pm on the Closing Date, that Acceptance Form will be deemed to have been received by us prior to 11.59 pm on the Closing Date (including for the purposes of the condition in paragraph 6.1).
- 4.5 We may, in our discretion:
- (a) treat any Acceptance Form as valid even if that Acceptance Form is not accompanied by your relevant Common Shareholder Number, or does not comply with any instructions on the Acceptance Form;
  - (b) rectify any errors in, or omissions from, any Acceptance Form to enable that form to constitute a valid acceptance of this Offer and to facilitate registration of the transfer of Shares to us; and
  - (c) amend any Acceptance Form to give effect to paragraph 8.7.
- 4.6 We will determine, in our discretion, all questions about Acceptance Forms and related documents, including the validity, eligibility, time of receipt, and effectiveness, of an acceptance of our Offer. Our determination will be final and will bind you and all other persons. You may not challenge or appeal that determination.

## **5. KEY TERMS OF OUR OFFER**

### **Acceptance of our Offer and your agreement to sell your Shares**

- 5.1 Our Offer is made to all holders of Shares and is open for acceptance in accordance with its terms by each such person, whether or not you acquired Shares before, on or after the date of our Offer.
- 5.2 You may accept our Offer for some or all of your Shares.
- 5.3 If you accept our Offer you create a binding contract with us. You agree to sell, and STHJV Nominee agrees to purchase, the Shares for which you accept our Offer and all Entitlements attaching to those Shares on the terms, and subject to the conditions, of our Offer and the provisions of the Takeovers Code.
- 5.4 Your acceptance of our Offer is irrevocable. You may not withdraw your acceptance, whether or not we have varied our Offer in accordance with the Takeovers Code, except in accordance with paragraph 3.2 (which allows you to withdraw your acceptance in the event that we do not pay you within a specified period). You may, however, be released from the obligations arising from acceptance of our Offer in the limited circumstances set out in paragraph 5.16.
- 5.5 Your acceptance of our Offer must be free of any and all amendments, restrictions, or conditions of any nature whatsoever ("**Condition of Acceptance**"). If you attempt or purport to impose any Condition of Acceptance, it will be void and of no effect and we will be entitled to treat your acceptance as a valid and binding acceptance of our Offer free and clear of any Condition of Acceptance.

### **Condition of our Offer**

- 5.6 Our Offer is subject to the condition set out in paragraph 6.1.
- 5.7 The latest date on which we can declare our Offer unconditional ("**Condition Date**") is 14 days after the Closing Date (excluding, for this purpose, any extension of our Offer under Rule 24B or Rule 24C of the Takeovers Code).
- 5.8 As a consequence:
- (a) if our Offer is not extended and the Offer period ends on  2015, then the Condition Date is  2015;
  - (b) if our Offer is extended (excluding any extension under Rule 24B or Rule 24C of the Takeovers Code), the Condition Date will be 14 days after the end of the extended Offer period. If we extend the Offer period, we will specify in our variation notice the new Condition Date.
- 5.9 We may, subject to paragraph 6.4 and the Takeovers Code, invoke the condition of our Offer at any time prior to 11.59 pm on the Condition Date.

### **Your obligations on acceptance of our Offer**

- 5.10 Legal and beneficial ownership of, and title to, the Shares for which you accept our Offer and the Entitlements attaching to those Shares will pass and transfer to STHJV Nominee, free of security interests, mortgages, options, liens, charges, encumbrances or other adverse interest of any nature ("**Encumbrances**"), on payment of the price for your Shares in accordance with paragraphs 3.1 and 7.
- 5.11 You must, on request by us, provide to us or STH's share registrar satisfactory evidence of your entitlement to Shares for which you have, or wish to, accept our Offer and/or the full and immediately effective release and discharge of any and all Encumbrances over those Shares. We may treat your acceptance as invalid if you do not comply with your obligations under this paragraph, and we are not obliged to notify you that we have done so.
- 5.12 You will not, and will not attempt or agree to, sell, transfer, grant an Encumbrance over or otherwise dispose of any interest in or control over any or all of the Shares for which you accept our Offer.
- 5.13 You irrevocably authorise and instruct STH and STH's share registrar to refuse to register any transfer of any or all of the Shares for which you accept our Offer, except for transfers of Shares to STHJV Nominee in accordance with the terms of our Offer. You agree that STH and STH's share registrar may rely on the authorisation set out in this paragraph, even if you attempt to revoke your authorisation. This paragraph will cease to apply if you are released from your obligations under paragraph 5.16.

### **Your warranties to us**

- 5.14 You represent and warrant to us that:
- (a) you are the sole legal and beneficial owner of the Shares for which you accept our Offer or you are the sole legal owner of the Shares for which you accept our Offer and you are entitled to deal with those Shares and, in either case, you have all necessary power, capacity and authority to sell those Shares and accept our Offer;

- (b) the Acceptance Form has been duly completed and executed and is binding on you in accordance with its terms and the terms of our Offer;
- (c) if you do not provide share certificates for all of your Shares with the Acceptance Form (such Shares being “**Uncertified Shares**”), that there are no share certificates for your Uncertified Shares or that the share certificates for your Uncertified Shares have been lost or destroyed. You agree that we and STH may rely on this warranty for the purposes of section 95(5) of the Companies Act 1993; and
- (d) legal and beneficial title and ownership of the Shares for which you accept our Offer will pass to STHJV Nominee in accordance with paragraph 5.10.

5.15 Despite anything to the contrary in the Acceptance Form, if you are a joint holder of Shares (whether or not as a trustee of a trust) and the Acceptance Form is signed by one or some, but not all, joint holders, then you represent and warrant to us that:

- (a) the holder(s) who has/have signed the Acceptance Form do(es) so on behalf of and as duly authorised agent(s) for the joint holder(s) who has/have not signed, that such authority has not been revoked, and that the acceptance is binding on the joint holder(s) who has/have not signed the Acceptance Form; and
- (b) if you hold the relevant Shares as a trustee of a trust, the instrument constituting the trust permits the execution of the Acceptance Form in the manner in which it was executed.

**All obligations will be released in certain circumstances**

5.16 You will be, and we will be, released from any and all obligations arising from our Offer and/or from your acceptance of our Offer if:

- (a) we withdraw our Offer with the consent of the Takeovers Panel; or
- (b) if our Offer lapses as a result of the condition in paragraph 6.1 not being satisfied by the Condition Date.

5.17 If our Offer is withdrawn or lapses, we may destroy all Acceptance Forms.

**6. MINIMUM ACCEPTANCE CONDITION**

6.1 Our Offer and any contract arising from acceptance of it are conditional on us receiving acceptances to our Offer by no later than the Closing Date that will, when taken together with Shares already held or controlled by STHJV, on our Offer being declared unconditional and the Shares being transferred to STHJV Nominee, result in us holding or controlling not less than 90% of the voting rights in STH. As STHJV already holds or controls more than 90% of the voting rights in STH, this condition will be satisfied on STHJV receiving an acceptance in respect of any Share not already held or controlled by STHJV.

**Nature of the condition of our Offer**

6.2 The condition in paragraph 6.1 is solely for our benefit and that of STHJV Nominee. We may not waive the condition. You have no right to waive the condition.

**Our Offer will only proceed if it becomes unconditional in all respects**

6.3 Our Offer will only proceed, and you will only be paid for your Shares for which you accept our Offer, if the condition set out in paragraphs 6 is satisfied and we declare our



Offer unconditional. If this does not occur, our Offer will lapse and paragraph 5.16 will apply.

**When we will not rely on a condition**

6.4 We will not allow our Offer to lapse:

- (a) in unreasonable reliance on the condition to our Offer; or
- (b) in reliance on a condition of our Offer that restricts STH's activities in the ordinary course of STH's business during the period commencing on 24 February 2015 (being the date on which we gave a takeover notice to STH under Rule 41 of the Takeovers Code) and ending on the Condition Date.

6.5 You should note that paragraph 6.4 is inapplicable to our Offer. We are, however, required to include that paragraph under the Takeovers Code.

**7. HOW WE WILL SETTLE OUR OFFER AND PAY YOU**

7.1 STHJV Nominee will pay you for your Shares in accordance with paragraph 3 and this paragraph 7 if:

- (a) we declare our Offer unconditional; **and**
- (b) your Acceptance Form is in order (or we rectify any error or omissions from the Acceptance Form or otherwise accept your Acceptance Form as valid under paragraph 4.5).

7.2 STHJV Nominee will pay you for your Shares by sending you a cheque by ordinary post or, if you choose in your Application Form, by making an electronic funds transfer to a New Zealand dollar account with a New Zealand registered bank.

7.3 However, if:

- (a) you do not select a method of payment;
- (b) your desired account is not a New Zealand dollar account with a New Zealand registered bank; or
- (c) the details that you provide to us are not sufficient for us to make an electronic funds transfer to your desired account,

STHJV Nominee may choose to pay you by cheque or by electronic funds transfer to any existing New Zealand dollar account that you have advised to STH's share registrar (such as for dividend payments).

7.4 If STHJV Nominee chooses to make payment to you in accordance with paragraph 7.3:

- (a) STHJV Nominee is not obliged to notify you that it has done so; and
- (b) STHJV Nominee will have no liability to you for its choice to do so.

7.5 In no circumstances will we or STHJV Nominee be liable to you for interest on any payment due to you.

## 8. CHANGE IN CIRCUMSTANCES

### Dividends and distributions

- 8.1 If, on or after the Effective Date, STH authorises, declares, makes, or pays any dividend or any distribution of any nature whatsoever and our Offer is or becomes unconditional, then, at our choice (and subject to the terms of any waiver), either:
- (a) you will be bound to pay to STHJV Nominee on demand an amount equivalent to the dividend or the value of the other distribution (in each case inclusive of withholding taxes deducted, if applicable) that is received by, or is properly payable to, you and relates to the Shares for which you accept or have accepted our Offer; or
  - (b) the price which would otherwise have been paid to you for the Shares for which you accept or have accepted our Offer will be reduced by an amount equivalent to the dividend, payment or the value of the other distribution that is received by, or is properly payable to, you and relates to the Shares for which you accept or have accepted our Offer.
- 8.2 If you are required to make a payment to us under paragraph 8.1(a) you must make that payment:
- (a) immediately on demand, to the bank account stated in our demand;
  - (b) in cleared and irreversible funds; and
  - (c) free of deduction, set off, withholding or condition.
- 8.3 If a dividend or distribution referred to in paragraph 8.1 is not in cash in New Zealand dollars, then we may determine the New Zealand dollar value of that dividend or distribution. Our determination will be final and will bind you and all other persons. You may not challenge or appeal that determination.

### Bonus issues of securities

- 8.4 If, on or after the Effective Date, STH authorises or makes any issue of shares or other securities or financial products of any nature (including warrants, options, entitlements, rights or interests in its ordinary shares) ("**Additional Securities**"), by way of bonus issue and our Offer is or becomes unconditional, then, at our choice (and subject to the terms of any waiver), either:
- (a) you must transfer, in respect of the Shares for which you have accepted our Offer, any Additional Securities to STHJV Nominee, without any additional payment or consideration; or
  - (b) if the Additional Securities are Shares in STH, our Offer will extend to those Additional Securities, the price payable for each Share as set out in paragraph 2.1 will be proportionately reduced to take account of the bonus issue, such that the total aggregate price payable for all Shares under our Offer (including the Additional Securities), if accepted in full, remains the same as it would have had no bonus issue taken place, and you will be obliged to transfer to STHJV Nominee any Additional Securities that are referable to the Shares for which you have accepted our Offer.

### **Other issues of Shares**

- 8.5 If, on or after the Effective Date, STH authorises or makes any issue of Shares to any person other than by way of bonus issue and our Offer is or becomes unconditional, then our Offer will be deemed to be extended to and include those Shares and the price payable for them will be the price set out in paragraph 2.1.

### **Subdivisions and consolidations**

- 8.6 If, on or after the Effective Date, all or any of the Shares are subdivided or consolidated by STH then:
- (a) our Offer will be interpreted to take into account that subdivision or consolidation and will be deemed to be for the Shares resulting from that subdivision or consolidation;
  - (b) the price per Share offered under our Offer set out in paragraph 2.1 will be increased or reduced, as the case may require, in proportion to that subdivision or consolidation; and
  - (c) you must transfer those subdivided or consolidated Shares for which you have accepted our Offer to STHJV Nominee on the basis of the price so increased or reduced.

### **Terms of our Offer apply to Additional Securities**

- 8.7 If you are required, pursuant to paragraph 8.4 or 8.6, to transfer to STHJV Nominee any Shares or Additional Securities, you will be deemed to have accepted our Offer for those Shares or Additional Securities and the applicable provisions of our Offer will apply with all necessary modifications to that transfer (including, without limitation, paragraphs 5.5, 5.10, 5.11, 5.12, 5.13, 5.14 and 5.15 and the power of attorney in favour of us as set out in the Acceptance Form). We may determine how the provisions of our Offer apply to the Shares and Additional Securities referred to in this paragraph. Our determination will be final and will bind you and all other provisions. You may not challenge or appeal that determination.

## **9. NOTICES**

- 9.1 Notices that we give to STH and the Takeovers Panel:

- (a) declaring this Offer unconditional; or
- (b) advising that our Offer is withdrawn in accordance with the Takeovers Code; or
- (c) advising that our Offer has lapsed in accordance with its terms or the Takeovers Code,

will, in each case, be deemed to be notice to you and all other offerees when so given.

- 9.2 Notice of any variation of our Offer will be sent to STH and the Takeovers Panel and, except where not required in accordance with the Takeovers Code, to you and each other offeree under our Offer.

## **10. FURTHER INFORMATION, INTERPRETATION AND GENERAL TERMS**

### **Takeovers Code information**

10.1 Further information relating to our Offer, as required by Schedule 1 to the Takeovers Code, is set out in Schedule 1 and forms part of this Offer Document.

### **Interpretation**

10.2 In this Offer Document:

- (a) any reference to the Takeovers Code means the takeovers code approved in the Takeovers Code Approval Order 2000 (SR 2000/210) as amended by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993;
- (b) except if expressly defined in this Offer Document, or where the context requires otherwise, terms defined in the Takeovers Code have the same meaning in this Offer document;
- (c) references to amounts of money are to New Zealand currency and to times are to New Zealand time;
- (d) headings are for convenience only and do not affect the interpretation of this Offer document or any Acceptance Form;
- (e) the singular includes the plural and vice versa; and
- (f) if you hold your Shares jointly, unless otherwise expressly stated a reference to you is a reference to all joint holders together.

10.3 If there is an inconsistency between the terms and conditions of our Offer and the provisions of the Takeovers Act 1993 or the Takeovers Code, the provisions of the Takeovers Act 1993 or the Takeovers Code (as the case may be) will prevail to the extent of that inconsistency.

### **Cheques, documents and transfers are at your risk**

10.4 All cheques, electronic funds transfers, Acceptance Forms and other documents to be delivered, sent or transferred by or to you will be delivered, sent or transferred at your own risk.

### **Variation of our Offer**

10.5 We may vary our Offer in accordance with Rule 27 of the Takeovers Code.

### **Acceptance Form is part of our Offer**

10.6 The provisions set out in the Acceptance Form are part of the terms of our Offer.

### **Governing law and jurisdiction**

10.7 Our Offer and any contract arising from acceptance of it are governed by, and must be construed in accordance, with the laws of New Zealand.

10.8 You submit to the non-exclusive jurisdiction of the Courts of New Zealand.

## SCHEDULE 1

### Takeovers Code Information

The information required by Schedule 1 to the Takeovers Code, and not stated elsewhere in this Offer Document, is set out below. Where any information required by Schedule 1 is not applicable, no statement is made regarding that information. The following matters are stated as at 24 February 2015 (the “**Takeover Notice Date**”).

#### 1. DATE

1.1 The Offer is dated  2015.

#### 2. OFFEROR AND ITS DIRECTORS

2.1 The name of the offeror is Southern Travel Holdings Joint Venture (“**STHJV**”). STHJV is comprised of the following members:

- Rodney Walshe Limited
- Kiyomi Gunji
- Kazue Gunji
- Argyle Trustee Limited
- Russell John Field and Anthony James Palmer (jointly)
- Keith Fraser Johnston and Judith Gay Johnston (jointly)
- Bancorp Strategic Management Limited
- Kerry Anne Graham
- Awatea Investments Limited
- Ian Graham Douglas
- Geoffrey Donald Campbell Walker and Martin Victor Richardson (jointly)
- Terry Bryce Horne and Margaret June Horne (jointly)
- Michael Hall
- Terry Bryce Horne and Barbara Lesley Horne (jointly)
- Frances Denise Flanagan
- Timothy George Mason Horne
- Christie Elsa Alison Horne

The address for STHJV is:

c/o Harmos Horton Lusk Limited  
Level 37, Vero Centre  
48 Shortland Street  
Auckland 1010

2.2 The members of STHJV’s management committee are Rodney Harold Clinton Walshe and Kiyomi Gunji.

2.3 STH JV Nominee Limited has been appointed as the nominee and bare trustee of STHJV for the purposes of the Offer. The sole director of that company is Rodney Harold Clinton Walshe.

#### 3. TARGET COMPANY

The name of the target company is Southern Travel Holdings Limited.

#### 4. OWNERSHIP OF EQUITY SECURITIES OF STH

4.1 The table below sets out the number, designation and percentage of equity securities of STH of any class held or controlled by:

- (a) STHJV (as offeror);
- (b) any related company of STHJV;
- (c) any person acting jointly or in concert with STHJV;
- (d) any director of any of the persons described in sub-paragraphs (a) to (c) above; and
- (e) any other person holding or controlling 5% or more of the class, to the knowledge of STHJV.

<b>Name</b>	<b>Description</b>	<b>Number of equity securities held or controlled</b>	<b>Type of equity security</b>	<b>Percentage of Class</b>
STHJV <sup>1</sup>	Offeror	11,218,067	Ordinary shares	90.98%
Rodney Walshe Limited	Person acting jointly or in concert with STHJV and person holding or controlling 5% or more	3,393,148	Ordinary shares	27.51%
Kiyomi Gunji	Person acting jointly or in concert with STHJV and person holding or controlling 5% or more	2,263,000	Ordinary shares	18.34%
Kazue Gunji	Person acting jointly or in concert with STHJV and person holding or controlling 5% or more	1,737,000	Ordinary shares	14.08%
Argyle Trustee Limited	Person acting jointly or in concert with STHJV and person holding or controlling 5% or more	1,315,531	Ordinary shares	10.66%
Russell John Field and Anthony James Palmer (jointly)	Person acting jointly or in concert with STHJV and person holding or controlling 5% or more	850,000	Ordinary shares	6.89%

<sup>1</sup> The members of STHJV are Rodney Walshe Limited, Kiyomi Gunji, Kazue Gunji, Argyle Trustee Limited, Russell John Field and Anthony James Palmer (jointly), Keith Fraser Johnston and Judith Gay Johnston (jointly), Bancorp Strategic Management Limited, Kerry Anne Graham, Awatea Investments Limited, Ian Graham Douglas, Geoffrey Donald Campbell Walker and Martin Victor Richardson (jointly), Terry Bryce Horne and Margaret June Horne (jointly), Michael Hall, Terry Bryce Horne and Barbara Lesley Horne (jointly), Frances Denise Flanagan, Timothy George Mason Horne and Christie Elsa Alison Horne.

<b>Name</b>	<b>Description</b>	<b>Number of equity securities held or controlled</b>	<b>Type of equity security</b>	<b>Percentage of Class</b>
Keith Fraser Johnston and Judith Gay Johnston (jointly)	Person acting jointly or in concert with STHJV	472,993	Ordinary shares	3.83%
Bancorp Strategic Management Limited	Person acting jointly or in concert with STHJV	386,691	Ordinary shares	3.13%
Kerry Anne Graham	Person acting jointly or in concert with STHJV	210,608	Ordinary shares	1.71%
Awatea Investments Limited	Person acting jointly or in concert with STHJV	170,739	Ordinary shares	1.38%
Ian Graham Douglas	Person acting jointly or in concert with STHJV	93,393	Ordinary shares	0.76%
Geoffrey Donald Campbell Walker and Martin Victor Richardson (jointly)	Person acting jointly or in concert with STHJV	92,291	Ordinary shares	0.75%
Terry Bryce Horne and Margaret June Horne (jointly)	Person acting jointly or in concert with STHJV	86,267	Ordinary shares	0.70%
Michael Hall	Person acting jointly or in concert with STHJV	84,227	Ordinary shares	0.68%
Terry Bryce Horne and Barbara Lesley Horne (jointly)	Person acting jointly or in concert with STHJV	50,000	Ordinary shares	0.41%
Frances Denise Flanagan	Person acting jointly or in concert with STHJV	8,250	Ordinary shares	0.07%
Timothy George Mason Horne	Person acting jointly or in concert with STHJV	7,143	Ordinary shares	0.06%
Christie Elsa Alison Horne	Person acting jointly or in concert with STHJV	1,786	Ordinary shares	0.01%

4.2 Except as stated in the above table, no person referred to in paragraphs 4.1(a) to (d) holds or controls equity securities of STH.

- 4.3 No person referred to in paragraphs 4.1(a) to (d) has a relevant interest in a derivative for which the underlying interest is one or more equity securities in STH.

## 5. TRADING IN STH EQUITY SECURITIES

- 5.1 The table set out below details acquisitions and dispositions of equity securities of STH by the persons listed in the table under paragraph 4.1 during the 6 month period before the Takeover Notice Date.

Date	Name	Nature	Number of equity securities	Type of equity security	Total consideration per equity security
16 September 2014	Awatea Investments Limited	Acquisition	5,000	Ordinary shares	30 cents
8 September 2014	Awatea Investments Limited	Acquisition	165,739	Ordinary shares	30 cents

- 5.2 Except as set out in paragraph 5.1, no person referred to in paragraphs 4.1(a) to (d) has, during the 6-month period before the Takeover Notice Date, acquired or disposed of:

- (a) any equity securities of STH; or
- (b) a relevant interest in a derivative for which the underlying is one or more equity securities of STH.

## 6. AGREEMENTS TO ACCEPT OFFER

- 6.1 David George Lock has entered into a Lock Up Agreement with STHJV dated 20 February 2015 ("**Lock Up Agreement**") under which David Lock agreed to accept the Offer for not less than one of his Shares. The key terms of the Lock Up Agreement are as follows:

- (a) Subject to STHJV making the Offer not later than 5.00 pm on 31 March 2015, David Lock agreed to accept the Offer for not less than one of his Shares by no later than three business days after his receipt of the Offer Document.
- (b) David Lock agreed not to acquire further Shares or dispose of, or deal with, his Shares, except to accept the Offer.
- (c) David Lock is entitled to terminate the Lock Up Agreement if the Offer was not made prior to 5.00 pm on 31 March 2015.

- 6.2 Except as noted in paragraph 6.1, no person has agreed conditionally or unconditionally to accept the Offer as at the Takeover Notice Date.

## 7. ARRANGEMENTS TO PAY CONSIDERATION

- 7.1 STHJV confirms that sufficient resources will be available to it to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer (including the debts arising under rule 49 of the Takeovers Code).



7.2 A statement setting out the rights of each holder of Shares under rule 34 of the Takeovers Code is set out in paragraph 3.2 of the Offer Terms and Conditions.

## **8. ARRANGEMENTS BETWEEN STHJV AND STH**

8.1 No agreement or arrangement (whether legally enforceable or not) has been made or is proposed to be made between STHJV or any associate of STHJV and STH or any related company of STH in connection with, in anticipation of, or in response to, this Offer.

## **9. ARRANGEMENTS BETWEEN STHJV, AND DIRECTORS AND OFFICERS OF STH**

9.1 Rodney Walshe Limited, Kiyomi Gunji, Kazue Gunji, Argyle Trustee Limited, Russell John Field and Anthony James Palmer (jointly), Keith Fraser Johnston and Judith Gay Johnston (jointly), Bancorp Strategic Management Limited, Kerry Anne Graham, Awatea Investments Limited, Ian Graham Douglas, Geoffrey Donald Campbell Walker and Martin Victor Richardson (jointly), Terry Bryce Horne and Margaret June Horne (jointly), Michael Hall, Terry Bryce Horne and Barbara Lesley Horne (jointly), Frances Denise Flanagan, Timothy George Mason Horne, Christie Elsa Alison Horne and STHJV Nominee are parties to a Joint Venture Agreement. The key terms of the Joint Venture Agreement are as follows:

- (a) The parties agreed to form an unincorporated joint venture by the name of "Southern Travel Holdings Joint Venture" for the purpose of the parties, jointly and in concert with each other:
  - (i) making a full takeover offer, under the Takeovers Code, to acquire all of the Shares not already held by the parties;
  - (ii) subsequent to making the full takeover offer to compulsorily acquire any remaining Shares under Part 7 of the Takeovers Code; and
  - (iii) following completion of the full takeover offer and compulsory acquisition to between them own and control all the Shares.
- (b) A management committee comprising Rodney Walshe and Kiyomi Gunji was formed to make all decisions and take all actions in respect of the proposed takeover offer and compulsory acquisition.
- (c) STHJV Nominee was appointed to acquire Shares under the proposed takeover offer and compulsory acquisition and to hold the Shares as bare trustee and nominee for the parties severally proportionate to each party's shareholding in STH relative to the aggregate number of Shares held by the parties.
- (d) STHJV Nominee was irrevocably authorised to enter into a debt facility with Bancorp Capital Limited (or a related entity) in order to fund the costs associated with the proposed takeover offer and compulsory acquisition.
- (e) The parties agreed to repay the funding provided by Bancorp Capital Limited (or a related entity) and associated interest and costs proportionate to each party's shareholding in STH relative to the aggregate number of Shares held by the parties.
- (f) Following the completion of the proposed takeover offer and compulsory acquisition and the parties between them holding all of the Shares on issue, the parties agreed that they would act in accordance with specified pre-emptive rights, drag along rights and tag along rights and would, as soon as practicable, adopt a

new constitution for STH including those rights and otherwise on terms agreed between the parties.

- (g) The parties agreed for the term of the joint venture agreement not to take any action:
  - (i) to sell, transfer or otherwise dispose of any Shares;
  - (ii) to frustrate the purpose of the joint venture; or
  - (iii) which is inconsistent with the intent or provisions of the Joint Venture Agreement.
- (h) The parties agreed to be bound by confidentiality obligations to each other.

9.2 Except as noted in paragraph 9.1, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between STHJV or any associate of STHJV and any of the directors or senior officers of STH or any related company of STH in connection with, or in anticipation of, or in response to, this Offer.

## **10. FINANCIAL ASSISTANCE**

10.1 No financial assistance (directly or indirectly) is to be provided by STH, or any related company of STH, for the purpose of, or in connection with, the Offer.

10.2 Pursuant to the Joint Venture Agreement (described further in paragraph 9.1), the parties to that agreement agreed that following STHJV acquiring full ownership of STH they will each take reasonable steps to ensure that STH makes a distribution of an amount sufficient to allow the parties to meet their respective reimbursement obligations in respect of the funding (including associated interest and costs) provided to STHJV Nominee by Bancorp Capital Limited (or a related entity) for the purposes of the Offer.

## **11. PRE-EMPTION CLAUSES IN STH'S CONSTITUTION**

11.1 There are no restrictions contained in the constitution of STH on the right to transfer Shares which would have the effect of requiring holders of Shares to offer such Shares for purchase to members of STH or another person before transferring the securities.

## **12. ESCALATION CLAUSES**

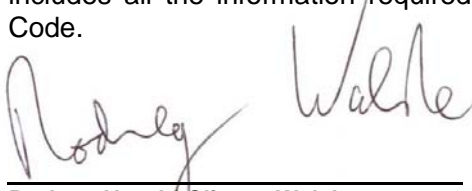
12.1 There is no agreement or arrangement (whether legally enforceable or not) to which STHJV or any of its related entities is a party, under which any existing holder of equity securities in STH will or may receive in relation to, or as a consequence of, the Offer, any additional consideration or other benefit over and above the consideration set out in the Offer, or under which any prior holder of equity securities in STH will or may receive any consideration or other benefit as a consequence of the Offer.

## **13. CLASSES OF FINANCIAL PRODUCTS**

13.1 No report is required under rule 22 of the Takeovers Code (which, if the offer is for more than 1 class of financial products, requires a report by an independent adviser on the fairness and reasonableness of the consideration and terms of the offer as between different classes of financial products).

**14. CERTIFICATE**

14.1 To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this Offer Document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by STHJV under the Takeovers Code.



**Rodney Harold Clinton Walshe**

Person occupying a position in Southern Travel Holdings Joint Venture that is comparable with that of a director of a company and the person fulfilling the dual roles of Chief Executive Officer and Chief Financial Officer of Southern Travel Holdings Joint Venture



**Kiyomi Gunji**

Person occupying a position in Southern Travel Holdings Joint Venture that is comparable with that of a director of a company and the person fulfilling the dual roles of Chief Executive Officer and Chief Financial Officer of Southern Travel Holdings Joint Venture

# ACCEPTANCE FORM

## SOUTHERN TRAVEL HOLDINGS JOINT VENTURE'S OFFER TO ACQUIRE ALL OF THE ORDINARY SHARES IN SOUTHERN TRAVEL HOLDINGS LIMITED

Shareholder/Seller ("you")

Mailing house will personalise with name & address and will ensure this fits the window of the envelope to act as address carrier. They will print all details & details on the right + barcode

Number of Shares held as at  
28 February 2015: << >>

Total consideration (at NZ 30 cents per Share):  
<< >>

CSN / Holder number: << >>

//BARCODE//

### PLEASE REFER TO THE INSTRUCTIONS OVERLEAF FOR DIRECTIONS ON HOW TO COMPLETE THIS ACCEPTANCE FORM

Insert in the box below the number of fully paid ordinary shares ("Shares") in Southern Travel Holdings Limited ("STH") in respect of which you accept the takeover offer by Southern Travel Holdings Joint Venture ("STHJV") dated  2015 ("Offer").

**NOTE**

- 1 You may accept the Offer in respect of all or any Shares held by you.
- 2 If you do not state the number of Shares in respect of which you wish to accept the Offer, you will be deemed to have accepted the Offer in respect of all of the Shares held by you and to have stated that number in the box below.

Number of Shares you wish to sell

By signing this form you hereby:

- (a) irrevocably:
  - (i) accept the Offer for the number of Shares set out in the box above (or if note 2 above applies, for all of the Shares held by you) on and subject to the terms and conditions of the Offer;
  - (ii) agree to transfer all those Shares to STH JV Nominee Limited, on and subject to the terms and conditions of the Offer;
- (b) without limitation to any other term of the Offer, authorise, represent and warrant as set out in paragraphs 5.14 and 5.15 (to the extent applicable) of the Offer Document; and
- (c) irrevocably appoint STH JV Nominee Limited as your attorney and agent on the terms set out in this form.

Dated and signed the \_\_\_\_\_ day of \_\_\_\_\_ 2015

SIGNATURE(S) FOR AN INDIVIDUAL/ATTORNEY/TRUSTEE	SIGNATURE(S) FOR A COMPANY

**METHOD OF PAYMENT**

**Method of Payment:** Payment will be made by either electronic transfer directly into your New Zealand bank account, or by cheque. Please select a method of payment by ticking the appropriate box below. All payments will be made in New Zealand dollars.

Tick one:  CHEQUE  ELECTRONIC TRANSFER

**Note:** If you do not select a method of payment, or the details that you provide are not sufficient to effect an electronic transfer, you will be paid by cheque.

**Electronic Transfer Details:** Please complete the boxes below if you wish to be paid by electronic transfer.

If you have previously provided bank account details to STH's share registrar, Link Market Services Limited, and you want your payment made to that account, please tick here:

USE MY EXISTING ACCOUNT DETAILS

Otherwise, complete the details below.

Account Name: \_\_\_\_\_ Bank & Branch: \_\_\_\_\_

NZ Bank Account Number:  

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 -

1. **NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS ACCEPTANCE FORM**

1.1 **To accept the Offer:**

- (a) Insert the date of signing in the space provided. Please ensure that all details on this Acceptance Form are correct. Please alter this Acceptance Form if required.
- (b) Sign this Acceptance Form where marked "Signature(s)". Companies must sign where marked "For A Company" in accordance with the Companies Act 1993 or other applicable law.
- (c) If the Shares are registered in the names of joint holders, all holders must sign this Acceptance Form.

1.2 **Method of Payment:** You should select a method of payment. If you do not, or if you do not provide sufficient details to enable an electronic transfer to you to a New Zealand bank account, you will be paid by cheque. Neither STHJV, STH JV Nominee Limited nor Link Market Services Limited has any responsibility to verify any such details. Your bank may charge you fees in relation to receipt of an electronic transfer.

1.3 **Power of Attorney:** If this Acceptance Form is signed under a power of attorney, the certificate of non-revocation printed on this Acceptance Form must be completed by the party holding the Power of Attorney and signing this Acceptance Form, unless the attorney is a body corporate, in which case the attorney must sign and attach a certificate of non-revocation of power of attorney in the form set out in the Property Law Act 2007. In either case, the relevant instrument appointing the attorney must be submitted for noting and return unless it has already been provided to Link Market Services Limited.

1.4 **On Completion:** Either mail, deliver, fax or email this Acceptance Form as provided for below as soon as possible, but in any event so as to be received by STHJV on or before 11.59 pm on the Closing Date of **15** 2015.

(a) **MAIL:** Place the signed Acceptance Form in the enclosed prepaid envelope and send by post to the following address:

Southern Travel Holdings Joint Venture  
c/- Link Market Services Limited  
PO Box 91976  
Auckland 1142  
New Zealand

(b) **HAND DELIVER:** Deliver the signed Acceptance Form to the following address:

Southern Travel Holdings Joint Venture  
c/- Link Market Services Limited  
Level 7, Zurich House  
21 Queen Street  
Auckland 1010  
New Zealand

**Note:** These offices are only open on weekdays during normal business hours.

(c) **EMAIL:** Email the signed Acceptance Form to: [operations@linkmarketservices.com](mailto:operations@linkmarketservices.com)

(Please type "STHJV Acceptance" in the subject line for easy identification)

(d) **FAX:** Fax the signed Acceptance Form to Southern Travel Holdings Joint Venture c/- Link Market Services Limited, on +64 9 375 5990 .

1.5 **Interpretation:** A reference to "you" is a reference to the registered shareholder(s) printed at the head of this form and, accordingly, references to you in the singular shall include the plural. Capitalised terms used but not defined in this form have the meanings given to them in the Offer Document.

**IF YOU ARE IN DOUBT ABOUT HOW TO COMPLETE THIS ACCEPTANCE FORM OR THE PROCEDURE FOR ACCEPTANCE, PLEASE TELEPHONE LINK MARKET SERVICES LIMITED ON +64 9 375 5998.**

ONLY COMPLETE THE FOLLOWING SECTION IF THE ACCEPTANCE FORM IS SIGNED UNDER A POWER OF ATTORNEY

CERTIFICATE OF NON-REVOCAION OF POWER OF ATTORNEY

I \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_, certify:  
full name of power of attorney place and country of residence occupation

1. That by deed dated \_\_\_\_\_, \_\_\_\_\_, of \_\_\_\_\_,  
date full name of donor (individual or corporate) place and country of residence / registered office

appointed me his / her / its attorney. If the donee of the power is a body corporate, I confirm that I am authorised to give this certificate on its behalf and the capacity in which I give this certificate for the attorney is as \_\_\_\_\_.  
insert director / officer / other capacity

2. That I have not received notice of any event revoking the power of attorney.

SIGNED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2015 \_\_\_\_\_  
Signature & Name of Attorney

**POWER OF ATTORNEY**

From the date of beneficial ownership to your Shares passing to STH JV Nominee Limited in accordance with the terms of the Offer, you irrevocably authorise and appoint STH JV Nominee Limited (with power of substitution by STH JV Nominee Limited in favour of such person(s) as it may appoint to act on its behalf) as your attorney and agent to act for you and do all matters of any kind or nature whatsoever in respect of or pertaining to your Shares and all rights and benefits attaching to them as STH JV Nominee Limited may think proper and expedient and which you could lawfully do or cause to be done if personally acting as a legal or beneficial owner of the applicable Shares. For the avoidance of doubt, this power of attorney applies only to those Shares that are taken up from you under the Offer.