

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Tourism Holdings Limited (the **Company**) gives you notice that a special meeting of the shareholders of the Company will be held in the Raffles Ballroom at Stamford Plaza, 22 Lower Albert Street, Auckland on Friday, 19 October 2012 at 2pm.

Business of the meeting

The business of the meeting will be to approve the merger of the Company's New Zealand campervan and motorhome sales and rentals business with the businesses of United Vehicle Rentals Limited (**United**) and Kea Campers (New Zealand) Limited (**Kea**), including the associated issue of ordinary shares by the Company to each of Kea and United and the appointment of Kay Howe as a director of the Company. The Company will purchase the business, fleet and other assets from United and Kea (the legal entities are not being acquired).

Resolutions to be passed

Resolution One

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company for the purpose of NZSX Listing Rules 7.3.1, 7.6.5 and 9.1.1(b):

"That the shareholders ratify, confirm and approve:

- (a) The acquisition by the Company of the business and assets of United and Kea's campervan and motorhome sales and rentals businesses, and the merger of those acquired business and assets with the Company's New Zealand campervan and motorhome sales and rentals business;*
- (b) The issue of fully paid ordinary shares in the Company to each of United and Kea, in part consideration for the acquisition noted in (a) above, as follows:*
 - (i) 6,444,265 ordinary shares to United for \$0.619 per share for a total consideration of \$3,989,000; and*
 - (ii) 5,574,932 ordinary shares to Kea for \$0.619 per share for a total consideration of \$3,450,883;*
- (c) The provision of a loan to Kea as part of the transaction with Kea, which loan may amount to the provision by the Company of financial assistance to Kea, the precise terms and conditions of which are set out in the Explanatory Notes;*

as more particularly described in the Explanatory Notes, and that the directors of the Company be authorised to take all actions, do all things and execute all documents and agreements necessary or considered by them to be expedient to give effect to such transactions.

The implementation of this resolution is conditional upon Resolution Two being approved by the shareholders of the Company.

Resolution Two

If Resolution One is passed, to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That Kay Howe be appointed as a director of the Company with effect from the date of completion of the transaction.”

The implementation of this resolution is conditional upon Resolution One being approved by the shareholders of the Company.

Explanatory Notes

The Explanatory Notes which accompany this Notice of Meeting set out the details of the transactions which are the subject of the above resolutions and the approvals required for each part of the resolutions by the shareholders of the Company pursuant to the NZSX Listing Rules (**Listing Rules**), the Companies Act 1993 (**Act**) and the constitution of the Company.

Independent Report

Accompanying this notice of meeting is an Independent Report prepared by Cameron Partners on the merits of the transaction for shareholders. Shareholders are encouraged to read the Independent Report thoroughly.

Directors’ recommendation to approve the resolution

The directors unanimously recommend you vote in favour of the above resolutions.

Voting and Proxies

You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. A proxy need not be a shareholder of the Company. You may direct your proxy to vote, or give your proxy discretion to vote how he/she sees fit. If you wish to give your proxy such discretion you should mark the box accordingly. If you do not mark any box then your proxy may vote how he/she sees fit.

A proxy form is attached to this notice. If you wish to vote by proxy you must complete the form and produce it to the Company so as to be received no later than 2pm on Wednesday, 17 October, 2012.

The Chairman of the Company is willing to act as proxy. If you appoint the Chairman as proxy but do not direct him how to vote on the resolutions then the Chairman will vote in favour of the resolutions.

By virtue of NZSX Listing Rule 9.3.1, neither United nor Kea, nor any of their respective Associated Persons (as defined in the NZSX Listing Rules) are entitled to vote in favour of the resolutions and accordingly any votes cast by any of them in favour of the resolutions will be disregarded by the Company (unless such votes are cast by such person acting as a proxy to a person who is not disqualified from voting on the resolutions, in accordance with the express instructions of the appointor to vote for or against the resolutions).

In order for the resolutions to be passed as ordinary resolutions, each resolution needs to be approved by a simple majority of the votes of holders of shares in the Company, entitled to vote and voting (whether in person or by proxy). The implementation of each of the resolutions is conditional upon both Resolution One and Resolution Two being approved by the shareholders of the Company.

By order of the Board

A handwritten signature in blue ink, appearing to read 'Keith Smith', is enclosed in a thin black rectangular border.

Keith Smith
Chairman

28 September 2012

EXPLANATORY NOTES

RESOLUTION ONE

The transaction - Overview

The purpose of the special meeting of shareholders is to seek shareholder approval to the transaction, namely the acquisition of United's campervan and motorhome fleet, forward order book, and certain non-fleet assets under an asset sale agreement between the Company, United and Kay Howe (as Covenantor) dated 2 September 2012 (**United Agreement**) and the acquisition of Kea's campervan and motorhome fleet, forward order book, and certain non-fleet assets under an asset sale agreement between the Company, Kea and Grant Brady (as Covenantor) dated 2 September 2012 (**Kea Agreement**) for a combined consideration of approximately \$69.5 million.

The consideration payable by the Company under the transaction is to be met by:

- the issue of 6,444,265 ordinary shares to United for \$0.619 per share for a total consideration of \$3,989,000 (**United Shares**) under the United Agreement and the issue of 5,574,932 ordinary shares to Kea for \$0.619 per share for a total consideration of \$3,450,883 (**Kea Shares**) under the Kea Agreement;
- the refinancing of United's and Kea's debt of approximately \$50.9 million (in aggregate);
- a cash payment to each of United and Kea of approximately \$3.2 million (in aggregate); and
- entry into a Deferred Consideration Agreement with each of United and Kea (**Deferred Consideration Agreements**). Approximately \$8 million of the consideration (in aggregate) payable to each of United and Kea is being deferred at completion. This deferred consideration is allocated to individual vehicles in the fleet and may be paid to Kea and United following the sale of those individual vehicles. If there is a shortfall between the proceeds from the sale of the vehicle and the calculated book value of the vehicle at the time it is sold, this amount is deducted from the deferred consideration amount in respect of that vehicle and is not payable to the relevant vendor. This provides the Company with partial protection in the event a vehicle sells for less than is expected.

Further details on the United Agreement and the Kea Agreement are provided in the next section of this notice of meeting and further details of the transaction in general are provided in the Independent Report.

The Agreements - further details (please also see the Independent Report for further explanation)

Conditions: The United Agreement and the Kea Agreement are conditional upon (1) the Company entering into arrangements with its financiers (on terms and conditions acceptable to the Company) to finance the transaction and (2) the Company obtaining shareholder approval as is required under the Listing Rules (see section immediately following). Whilst the funding for the transaction is still to be finalised and remains subject to credit approval and internal bank sign-off, the Company's financiers have confirmed their support for the transaction in principle.

Conditions and Break Fees: As noted previously, the United Agreement and the Kea Agreement are conditional upon shareholder approval, and the Company entering into arrangements with its financiers (on terms and conditions acceptable to the Company) to finance the transaction. If the conditions are satisfied on or before 25 October 2012, the transaction will complete on 31 October 2012. If the conditions are satisfied after 25 October 2012, but prior to 25 November 2012, the transaction will

complete on 30 November 2012. The Company currently intends to satisfy all conditions in time for completion to occur on 31 October 2012. In the event the conditions are not satisfied by 25 November 2012, including where the resolutions set out in this notice of meeting are not passed, then the United Agreement and the Kea Agreement will be terminated (and the transactions set out in those agreements will not proceed). In those circumstances the Company will pay a break fee to United and Kea of up to \$250,000 (in aggregate).

Interdependence: The United Agreement and the Kea Agreement are interdependent, such that they are conditional on completion under both agreements occurring contemporaneously on the completion date (expected to be 31 October 2012).

Warranties: Kea and United have provided a standard set of warranties (subject to usual limitations and exceptions) in relation to their respective rental businesses and, in addition to the warranties, have agreed that each vehicle in the fleet will meet specified standards on completion.

Transition Services: Kea and United will provide such services as are reasonably required by the Company to ensure the smooth transition of the businesses. The Company will take assignments or sublicences of certain of Kea and United's premises for limited periods of time to assist with transition. The Company will take a sub-lease of Kea's leasehold interest at Bush Road, Albany, where it will continue to operate the Kea vehicle sales business in addition to the motorhome manufacturing already undertaken on that site by RV Manufacturing Group Limited Partnership (**RVMG**). RVMG is a joint venture between the Company, which owns 50%, and Kea Manufacturing (New Zealand) Limited (owned by Grant Brady) which owns the other 50%. Post completion, Grant Brady (principal of Kea) will be employed by the Company and will lead the NZ vehicle sales division. Kay Howe (principal of United) will join the board of the Company, initially as an executive director for six months, and then as a non-independent director.

Restraint: United, Kea and each of Kay Howe and Grant Brady are prohibited from engaging in any activity that competes with the campervan business for periods of 3 – 5 years after completion.

Arrangements with Supreme Motorhome Manufacturing Limited: In a separate transaction to the sale agreements with United and Kea, RVMG will acquire the intellectual property assets owned by Supreme Motorhome Manufacturing Limited (**Supreme**) in relation to its campervan and motorhome manufacturing business. Supreme currently manufactures campervans and motorhomes exclusively for United and owns all the intellectual property in the campervan and motorhome designs and the moulds used to manufacture the United motorhomes. Supreme will also purchase RVMG's caravan manufacturing assets and the Company will transfer its caravan brands "Ci Munro" and "Oxford" to Supreme, so that Supreme can establish a caravan manufacturing business. The Company will also become a dealer for the caravans that are manufactured by Supreme.

RESOLUTION TWO

Appointment of Kay Howe as a director

Under the United Agreement, it is proposed that Kay Howe will be appointed as a director of the Company with effect from the date of completion under the United Agreement (expected to be 31 October 2012). Such appointment requires the approval of shareholders by way of ordinary resolution (under both section 153(2) of the Act and clause 26.2 of the constitution of the Company). The resolution to be passed, and the appointment of Kay Howe as a director, is dependent on the shareholders first approving the merger by passing Resolution One as an ordinary resolution. Kay Howe will not be an Independent Director of the Company.

As it is proposed that Kay Howe will be appointed as a director of the Company with the approval of shareholders, she will not retire from office at the Company's annual meeting on 27 November 2012 but will instead retire by rotation when required to do so in accordance with Listing Rule 3.3.11.

A biography for Kay Howe is provided below:

With a background in a variety of industries including farming and agriculture, Kay entered into the tourism market in 1978 starting her first motorhome rental business as a small family operation. An industry pioneer Kay was involved with a number of motorhome companies and founded United in 1994. Kay has owned and successfully managed United throughout various economic cycles and has arguably grown the business to be the second largest rental motorhome operation in New Zealand behind the Company. Kay has established strong industry relationships, in particular in the Dutch and French markets. Kay is currently a council member of the Rental Vehicle Association and also a business mentor for New Zealand Trade & Enterprise Business Mentoring Services.

LISTING RULE APPROVALS REQUIRED

Set out below are details of the shareholder approvals required under the Listing Rules.

Listing Rule 9.1.1(b) – The transaction requires approval by way of an ordinary resolution of shareholders as it involves both the acquisition of assets and the acquisition of debt financing, in respect of which the gross value of the assets acquired is in excess of 50% of the Average Market Capitalisation of the Company (as defined in the Listing Rules). The value of the assets being acquired is approximately \$69.5 million, of which approximately \$50.9 million is being funded by additional debt from the Company's financiers. These amounts are both in excess of 50% of the Average Market Capitalisation of the Company, and accordingly approval is required under Listing Rule 9.1.1(b). The transaction does not require approval as a major transaction under section 129 of the Act.

Listing Rule 9.1.2 states that a notice of meeting containing a resolution under Listing Rule 9.1.1 must contain or be accompanied by such information, reports, valuations, and other material as is necessary to enable the holders of securities to appraise the implications of the transaction. Such information is included in this notice of meeting and also in the Independent Report prepared by Cameron Partners on the merits of the transaction for shareholders (which is enclosed with this notice of meeting).

Listing Rule 7.3.1 – The transaction requires approval by way of an ordinary resolution of shareholders as it involves the issue of the Company's equity securities. Listing Rule 7.3.1 states in general terms that shareholder approval must be obtained for any issue of shares. Accordingly, the precise terms and conditions of the specific proposal to issue equity securities must be approved by separate resolutions, passed by a simple majority of votes, of holders of each class of quoted equity securities of the Company whose rights or entitlements could be effected by that issue. In this case, the relevant class for the purposes of NZSX Listing Rule 7.3.1 is all ordinary shares in the Company. The specific terms of issue of the United Shares and the Kea Shares are:

- on completion of the transaction (expected to be 31 October 2012), the Company will issue:
 - 6,444,265 ordinary shares to United for \$0.619 per share for a total consideration of \$3,989,000 (**United Shares**);
 - 5,574,932 ordinary shares to Kea for \$0.619 per share for a total consideration of \$3,450,883 (**Kea Shares**);

- the United Shares and the Kea Shares will be paid for by way of a set-off against the purchase price to be paid by the Company to each of United under the United Agreement and Kea under the Kea Agreement (so essentially have a cash consideration for their issue price);
- upon issue, the United Shares and the Kea Shares will rank equally in all respects with the existing ordinary shares in the capital of the Company and have the same rights and privileges attached to them;
- the United Shares and the Kea Shares will each be subject to an escrow arrangement whereby each of United and Kea must retain the legal and beneficial ownership of:
 - 100% of the shares issued to them under the United Agreement or Kea Agreement (whichever is applicable) for a period of six months from completion;
 - at least 80% of the shares issued to them under the United Agreement or Kea Agreement (whichever is applicable) for a period of one year from completion; and
 - at least 50% of the shares issued to them under the United Agreement or Kea Agreement (whichever is applicable) for a period of two years from completion,

and accordingly will not sell, grant an option over, transfer or otherwise dispose of those shares in the timeframes noted (except in certain defined circumstances such as a transfer to a wholly owned subsidiary or associated partnership, in connection with full or partial offers under the Takeovers Code, or in the case of Kea, a transfer of up to 7.5% of the Kea Shares to an individual shareholder who will be subject to the six month restriction noted above).

Listing Rule 7.6.3(b) and 7.6.5 – The Kea Agreement includes a commitment by the Company to provide a loan to Kea for an amount of not more than \$1,670,000, if Kea so requests at any time during the period of six months from the completion date (**Kea Loan**). The Kea Loan may amount to financial assistance in connection with the acquisition of the Kea Shares. Listing Rule 7.6.5 requires the precise terms and conditions of the giving of the financial assistance to be approved by separate resolutions, passed by a simple majority of votes, of holders of each class of quoted equity securities of the Company whose rights or entitlements are materially affected in a similar way by the giving of the financial assistance. In this case, the relevant class for the purposes of NZSX Listing Rule 7.6.3 is all ordinary shares in the Company. The specific terms of the financial assistance are:

- the loan will be provided if Kea gives notice in writing within six months of the completion date. The loan will be used by Kea to assist it to meet its obligations to its creditors as they fall due given that the Kea Shares are subject to the escrow arrangements referred to above and the deferred consideration is only payable once vehicles are sold;
- the loan will be for a maximum amount of \$1,670,000, which can be requested by Kea in two separate tranches, on separate draw down dates;
- interest will be payable on the loan at the rate of the 90 day bank bill bid settlement rate displayed on Reuters screen page BKBM plus a margin of 3%;
- the loan will be repayable from payments due by the Company to Kea under the Deferred Consideration Agreement and any proceeds from the sale of the Kea Shares, and otherwise is repayable in full within four years from completion; and
- the loan will be secured by the Company taking first ranking security over the Kea Shares, and over the amounts due to Kea under the Deferred Consideration Agreement.

The Board resolved on 10 September 2012 that the Company should provide the Kea Loan to Kea and that the giving of financial assistance in the form of the Kea Loan is in the best interests of the Company and is of benefit to shareholders not receiving that financial assistance; and that the terms and conditions under which the Kea Loan is given are fair and reasonable to the Company and to the shareholders not receiving that financial assistance. The grounds for the Board's conclusions are that the Kea Loan forms part of the overall transaction that has been negotiated with Kea and the overall transaction is in the best interests of the Company and is of benefit to all shareholders as it will create value for shareholders, the Kea Loan will be on arms' length commercial terms, the Company will receive interest on the Kea Loan, and Kea has provided security over the Kea Shares and over the amounts due to Kea under the Deferred Consideration Agreement to secure its obligation to repay the Kea Loan.

The above forms the "disclosure document" for the purposes of section 79 of the Act and is sent to shareholders pursuant to sections 78(5) and 79 of the Companies Act 1993 (which require the Company to disclose to shareholders certain information relating to the proposed financial assistance to be given by the Company).