

RETAIL DEPOSIT GUARANTEE SCHEME – NOMINATION

Deceased Persons' Estates

Date: 6 August 2010

Background

By notice to the public dated 14 October 2009, the Crown issued a Nomination which designated any executor or administrator of a deceased person's estate falling within the terms of that Nomination to be a Nominated Beneficiary for the purposes of any Crown Deed of Guarantee existing at that date.

The Crown now wishes to designate any executor or administrator falling within the terms of this notice to be a Nominated Beneficiary for the purposes of each Crown Deed of Guarantee executed on or before the date of this notice in respect of which no Default Event had occurred prior to 1 January 2010 and any Crown Deed of Guarantee executed after the date of this notice. To that end, this notice constitutes a Nomination for the purposes of each such Crown Deed of Guarantee.

Definitions of Terms

For the purposes of this Nomination—

- “**date of default**” means the date that the first Default Event occurred with respect to the applicable Principal Debtor under the relevant Crown Deed of Guarantee;
- “**relevant Debt Securities**” means the Debt Securities issued by the Principal Debtor that are held by the executor(s) or administrator(s) of the deceased person's estate on the date of default;
- “**automatically re-invested by the Principal Debtor**”, in the context of Debt Securities, occurs when the Principal Debtor has allotted new Debt Securities to replace previously existing Debt Securities that matured without the Principal Debtor receiving any instructions regarding what to do with the principal and interest;
- “**Crown Deed of Guarantee**” means any guarantee issued pursuant to the Crown Retail Deposit Guarantee Scheme before, on or after the date of this Nomination in respect of which no Default Event had occurred prior to 1 January 2010, including any guarantee issued pursuant to the Crown Retail Deposit Guarantee Scheme Act 2009; and
- “**Crown Retail Deposit Guarantee Scheme**” means either or both (as the context permits) of:
 - the guarantee scheme announced by the Minister of Finance on or about 12 October 2008;
 - the guarantee scheme announced by the Minister of Finance on or about 25 August 2009.

Other capitalised terms used in this Nomination take their meaning from the relevant Crown Deed of Guarantee.

Notice

The Crown gives notice that the executor(s) or administrator(s) of a deceased person's estate that do not otherwise constitute a Creditor for the purposes of the relevant Crown Deed of Guarantee, whether pursuant to the terms of that Crown Deed of Guarantee or an applicable prior Nomination, shall be a Nominated Beneficiary (and, as a consequence, a Creditor, for the purposes of that Crown Deed of Guarantee) in each of the circumstances described in paragraphs 1-4 below.

1. If the date of the deceased person's death occurred on or after the date of default and the deceased person constituted a Creditor at that date of default.
2. Subject to paragraph 4, if the date of the deceased person's death occurred before the date of default and either:
 - (a) the relevant Debt Securities were held by the deceased person upon his or her death and those Debt Securities did not mature before the date of default; or
 - (b) the deceased person held certain Debt Securities upon his or her death, which securities matured before the date of default and were automatically re-invested by the Principal Debtor before the date that is one week after the date probate was granted in respect of that person's estate.
3. Subject to paragraph 4, if the date of the deceased person's death occurred before the date of default and:
 - (a) the executor(s) or administrator(s) is/are not excluded from being a Creditor under the relevant Crown Deed of Guarantee by reason of being a Related Party of the Principal Debtor, controlled by a Related Party of the Principal Debtor, or a Financial Institution; and
 - (b) either—
 - (i) the relevant Debt Securities were not held by the deceased person upon his or her death; or
 - (ii) the deceased person held certain Debt Securities upon his or her death, which securities matured before the date of default and some or all of the principal and interest was re-invested with the Principal Debtor, so long as that principal and interest had not been automatically re-invested by the Principal Debtor before the date that is one week after the date probate was granted in respect of the deceased person's estate.

4. The executor(s) or administrator(s) of a deceased person's estate can only be a Nominated Beneficiary under paragraphs 2 or 3 of this Nomination if, in addition to satisfying the applicable conditions set out in paragraphs 2 and 3 above, either:

- (a) none of the beneficiaries of the deceased person's estate would be excluded from being a Creditor under the relevant Crown Deed of Guarantee if the Principal Debtor had a direct obligation to pay money (whether present or future) to each of them under a Debt Security; or
- (b) the Crown (in its sole and unfettered discretion), having regard to (among other things)—
 - (i) the identity and nature of the beneficiaries of the deceased estate (where known); and
 - (ii) how many of the beneficiaries (where known) would be Creditors under the relevant Crown Deed of Guarantee if the Principal Debtor had a direct obligation to pay money (whether present or future) to each of them under that Debt Security,

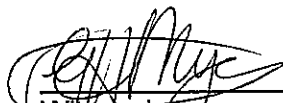
gives notice in writing to the executor(s) or administrator(s) (which may be by way of public notice and may be subject to any conditions as the Crown may specify) that they shall be a Creditor for the purposes of the relevant Crown Deed of Guarantee.

For the avoidance of doubt, Nominated Beneficiaries under this Nomination shall be deemed to be Creditors to the extent provided in this notice at the date of default.

Subject to the terms of any notice issued by the Crown under paragraph 4(b) of this Nomination and to any subsequent Nomination, the Crown's liability to each Nominated Beneficiary under this Nomination shall be limited to the amount specified in the relevant Crown Deed of Guarantee.

Her Majesty the Queen in right of)
New Zealand acting by and through)
Philip Combes, **Deputy Secretary –**)
Financial Operations acting under)
delegation from John Whitehead for)
and on behalf of the Minister of Finance)
in the presence of:)


Philip Combes, Deputy Secretary


Witness' name: Carole Hammersley-Myers

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