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To: File

From: Andre Anderson

SCF - MEETING OF TREASURY & RECEIVERS

South Canterbury Finance Limited (in receivership) ('SCF'):

- Kerry Downey, receiver (McGrath Nicol)
- [s9(2)(a)] receivers' solicitor (Chapman Tripp)

Treasury:

- John Park
- Craig Murphy
- Andre Anderson

Key points arising from the meeting—

➤ **Need to retain staff:**

- Receivers to communicate with all SCF employees before the end of the day to update them on progress and to broadly reassure them that SCF will continue in business as a going concern with the Crown's support.
- Receivers to urgently communicate with each of SCF's senior managers in order to obtain their support and ensure their motivation for operating the business going forwards. Receivers to discuss salary and employment terms with these key staff, including any incentives that may be desirable to focus them on maintaining SCF as a going concern.
- Receivers to report to Treasury on Tuesday morning with the status of each of the senior managers.

➤ **Business as usual:**

- Receivers to manage SCF as a going concern. ^[Withheld under s9(2)(b)(i)]
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- Need to clarify what 'business as usual' will look like going forwards. The principal question is to what extent SCF will write new loans (i.e. whether to build the loan book or wind it down).
- Kerry to send his thoughts to John for feedback.
- Treasury to determine what the Crown wants 'business as usual' to involve.
- Receivers to roll out a new credit policy on Monday, thereby enabling SCF to continue writing loans as and when desired.

➤ **Sales process:**

- Need to share all the expressions of interest that both sides are receiving.
- Treasury to determine what it considers to be the optimum sales process going forwards and communicate that with the receivers.
- Need to avoid duplicating the evaluation of purchase offers. Treasury and receivers to agree how offers will be evaluated.

➤ **Communications:**

- Receivers to issue press release once announcing 'business as usual', once both parties have agreed what it will mean in practice (hopefully by mid next week).

➤ **Funding:**

- Receivers to determine if SCF may need further funding and communicate that determination to Treasury.

➤ **Knowledge & information:**

- Treasury to retain KordaMentha as its advisers regarding SCF because of the depth of knowledge that KordaMentha already have about SCF.
- Receivers to meet with KordaMentha ^[Withheld under s9(2)(a)] as soon as reasonably possible to facilitate the flow of knowledge and information from KordaMentha.

➤ **Trustee:**

- Treasury to explore options for effecting a direct relationship between the Crown and receivers that does not involve the trustee.