



THE TREASURY

Kaitohutohu Kaupapa Rawa

2 August 2010

Sandy Maier
Chief Executive Officer
South Canterbury Finance Limited
P O Box 125
TIMARU 7940

Dear Sandy

Crown Request for Information under clauses 4.1 and 6.4 of Crown Deed of Guarantee (Non-Bank Deposit Taker)

South Canterbury Finance Limited ("SCF") and Her Majesty the Queen in right of New Zealand, acting through the Minister of Finance (the "Crown") entered into a Crown Deed of Guarantee (Non-Bank Deposit Taker) on 11 December 2009 (the "Deed").

As part of the Crown's ongoing management of its contingent liability under the Deposit Guarantee Scheme, the Crown is seeking additional information from SCF. Pursuant to clauses 4.1 and 6.4 of the Deed, we request the following information.

1. Prior Charges

- a) Copies of all Prior Charges (as that term is defined in the Trust Deed) to which SCF and any Charging Subsidiary is party.
- b) Copies of all loan agreements, guarantees, or other documentation under which SCF or any Charging Subsidiary has incurred or may incur indebtedness (present or future, actual or contingent) that is secured by one or more Prior Charge.
- c) Copies of all amendments to, or written waivers given in relation to any of the documents referred to paragraphs (a) and (b) above.
- d) The indebtedness (present or future, actual or contingent) secured by each Prior Charge.
- e) The actual indebtedness of SCF or a Charging Subsidiary as at the date of your response in relation to each creditor (actual or contingent), that has the benefit of a Prior Charge (broken down as to principal monies outstanding and interest that has accrued but which has remained unpaid, where applicable.

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2. Other information

- a) SCF's assessment of the total value of its accounts receivable and inventory as shown in your last management accounts.
- b) Whether SCF or any Charging Subsidiary is a party to any factoring agreements or to any purchase money securities, and if so the total amounts "secured" by those factoring agreements or purchase money securities;
- c) Particulars relating to all the preferential creditors of SCF and each Charging Subsidiary,¹ namely the class of each such preferential creditor, a best estimate of the amounts outstanding to each such class and the total "bill" for preferential claims as at the date of your last management accounts, as if that date was the date of a receivership or liquidation of SCF and its Charging Subsidiaries.

Please provide the information requested to us as soon as possible, but no later than **Friday 6 August 2010**, together with a certificate signed by two Directors of SCF that the information provided to us is true, correct and complete in all material respects as at the date of return.

If you have any questions or require any further information, please do not hesitate to call me or Craig Murphy.

Yours sincerely



John Park
Manager - Guarantee Scheme

¹ Preferential creditors are defined for these purposes as creditors or classes of creditors of the type referred to in paragraphs 1(2), (3) and (5) of Schedule 7 of the Companies 1993.