

RETAIL DEPOSIT GUARANTEE SCHEME – NOMINATION

Creditor Eligibility Criteria

Date: 17 September 2010

Background

Under the retail deposit guarantee scheme announced by the Minister of Finance on 12 October 2008, the Crown entered into deeds of guarantee with certain deposit taking institutions (each an '**Original Guarantee**'). Certain deposit-taking institutions in relation to which a Default Event has occurred as at the date of this Nomination are identified in the schedule set out below and are each referred to in this Nomination as a '**Specified Principal Debtor**'.

Under each Original Guarantee, the Crown guarantees to each Creditor the due and punctual payment by each Principal Debtor of all Indebtedness in accordance with and subject to the terms of that deed.

The Crown now wishes to remove the limitations on Persons who are Creditors for the purposes of each Original Guarantee to which the Crown and a Specified Principal Debtor are party (each a '**Specified Guarantee**').

However, note that the Crown does **not** by this Nomination:

- vary, change or remove the limitations on Persons who can be Creditors for the purposes of any Original Guarantee other than a Specified Guarantee;
- vary, change or remove the limitations on Persons who can be Creditors for the purposes of any deed of guarantee given by or on behalf of the Minister of Finance under section 6 of the Crown Retail Deposit Guarantee Scheme Act 2009 (each an '**Extended Guarantee**');
- vary or change the definition of "Indebtedness" in any Original Guarantee (whether or not a Specified Guarantee), nor in any Extended Guarantee.

Notice

1. Subject to the conditions in this Nomination, for the purposes of each Specified Guarantee the Crown gives notice that each Person to whom a Specified Principal Debtor had an obligation to pay money (whether present or future) under a Debt Security on the date of the relevant Default Event is a Nominated Beneficiary and therefore a Creditor for the purposes of that Specified Guarantee (each, a '**Nominated Beneficiary**' for the purposes of this Nomination). This Nomination shall apply even though the relevant Default Event occurred to each Specified Principal Debtor prior to the date of this notice.
2. For the avoidance of doubt, each Nominated Beneficiary is a Creditor even if that Nominated Beneficiary:
 - (A) is a Related Party of the Specified Principal Debtor; or
 - (B) is Controlled by a Related Party of the Specified Principal Debtor; or

- (C) is a Financial Institution; or
- (D) is neither a New Zealand Citizen nor a New Zealand Resident; or
- (E) is acting (directly or indirectly) as a nominee of, or trustee for, a Person referred to in (A), (B), (C) or (D) above; or
- (F) consists of two or more Persons who jointly hold that Debt Security and one or more of those Persons would not be a Creditor if the Principal Debtor had a direct obligation to pay money (whether present or future) to that Person individually under that Debt Security.

3. Without limiting the effect of any other clause in the relevant Specified Guarantee, the liability of the Crown to each Nominated Beneficiary shall not be limited by the liability cap specified in clause 2.6 of the relevant Specified Guarantee.
4. The Crown is not required to receive a Notice of Claim from any Nominated Beneficiary before making payment to that Nominated Beneficiary.
5. This Nomination does **not** apply to, and is not relevant to, any Original Guarantee that is not a Specified Guarantee, nor to any Extended Guarantee.
6. This Nomination does **not** alter the definition, effect or operation of the term "Indebtedness" as it appears in the terms of any Original Guarantee (whether or not that guarantee is also a Specified Guarantee), nor as it appears in the terms of any Extended Guarantee; and for the avoidance of doubt:
 - (a) the term "Indebtedness" does not include any obligation on the part of a Principal Debtor to pay money (whether present or future) to a Creditor under an Excluded Debt Security; and
 - (b) the term "Indebtedness" does not include any obligation on the part of a Principal Debtor to pay money (whether present or future) to a Creditor under a Debt Security to the extent that that Debt Security was issued:
 - (i) after the Crown has withdrawn its guarantee; or
 - (ii) before or after the Crown has withdrawn its guarantee in the case of any Creditor who is concerned in, or that has, or ought to have, knowledge of any Inappropriate Activity; and
 - (c) neither any Original Guarantee, nor any Extended Guarantee, covers Indebtedness that arises following a Default Event (other than interest accruing on Indebtedness existing at that Default Event) except to the extent otherwise agreed by the Crown in writing (in its sole and unfettered discretion),

nor is this Nomination to be read as limiting any right, power or discretion on the part of the Crown under any Original Guarantee or under any Extended Guarantee to elect to limit its liability to any Creditor in respect of any Indebtedness.

7. Each Nomination issued or made by the Crown prior to the date of this Nomination (a '**Prior Nomination**') is to be read subject to the terms of this Nomination. In the event

of any conflict, inconsistency, or ambiguity between the terms of this Nomination and a Prior Nomination, the terms of this Nomination prevail.

8. Capitalised terms used in this Nomination that are not defined in this Nomination have the meaning given to them in the applicable Original Guarantee.

Schedule

Specified Principal Debtors

Allied Nationwide Finance Limited

Mascot Finance Limited

Mutual Finance Limited


Rockforte Finance Limited

Strata Finance Limited

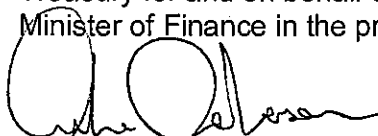
Viaduct Capital Limited

Vision Securities Limited

Her Majesty the Queen in right of)
New Zealand acting by and through)
Andrew Turner, **Acting Dep Secretary –**)
Financial Operations acting under)
delegation from the Secretary to the)
Treasury for and on behalf of the)
Minister of Finance in the presence of:)



Andrew Turner, Acting Deputy Secretary



Witness' name: Andre Anderson

Witness' occupation: Solicitor

Witness' address: Wellington

