

NOTICE IS GIVEN that a meeting of holders of Secured Debenture Stock (**Stockholders**) of Dorchester Finance Limited (the **Company**) issued pursuant to a Debenture Trust Deed (the **Debenture Trust Deed**) dated 17 June 1993 (as amended) between the Company, certain subsidiaries of the Company, Dorchester Pacific Limited and Perpetual Trust Limited (the **Trustee**) will be held on **17 December 2008, at 2pm at the Newmarket Room, Ellerslie Event Centre, Greenlane, Auckland**, to consider and, if thought fit, pass the Extraordinary Resolution below.

EXTRAORDINARY RESOLUTION

It is hereby resolved, by way of Extraordinary Resolution pursuant to clause 14.2 of the Second Schedule to the Debenture Trust Deed, that:

- 1 the Debenture Trust Deed is amended by inserting a new Section 8 as follows:

8 *Deferred Repayment Plan*

8.1 *Definitions*

In this section 8:

Book Value of the Charging Group's Finance Receivables means, at any time, the aggregate book values of (i) the loans and other financial accommodation made available by the Charging Group and (ii) any other assets held by the Charging Group as a result of enforcement of loans and other financial accommodation made available by the Charging Group, in each case as would be disclosed by a Balance Sheet, if a Balance Sheet was then prepared;

Business Day means a day on which banks are open for business, excluding Saturdays and Sundays;

Calculation Date means the date falling 7 days prior to any Instalment Payment Date;

Cash means, at any time, the aggregate of the Charging Group's bank credit balances, commercial paper and term deposits which would be disclosed by a Balance Sheet, if a Balance Sheet was then prepared;

Deferred Repayment Plan means the terms and conditions of repayment of the Outstanding Stock in accordance with this section 8;

DPL Group means DPL and all of its subsidiaries;

Effective Date means the date on which both of the following have occurred:

- (a) the Secured Debenture Stockholders have passed an Extraordinary Resolution approving this section 8 and certain other amendments to this Deed; and
- (b) the Subordinated Unsecured Noteholders have passed an extraordinary resolution approving the inclusion of a new section 8 in, and certain other amendments to, the Subordinated Unsecured Notes Trust Deed;

Event of Review means any of the following occurring:

- (a) the resignation of the Monitoring Manager;
- (b) the Company failing to pay an Instalment (other than a variation permitted under clauses 8.2 to 8.6 (inclusive)) and not remedying such default within 10 Business Days;
- (c) a breach of any of the financial covenants in clause 4.1.1; or
- (d) the identification of any material liabilities of the Charging Group that were not known at the commencement of the Deferred Repayment Plan and which may, in the reasonable opinion of the Monitoring Manager (in consultation with the Company), materially reduce the returns to Holders;

Forecasts means the financial model delivered to the Trustee and signed by the Trustee and the Company for the purposes of identification, on which the Deferred Repayment Plan has been based;

Increase in shareholders funds means the increase in the consolidated shareholders funds of DPL between 30 September 2008 and 30 September 2011, excluding any increase due to the issue of new equity, as would be disclosed by a Balance Sheet, if a Balance Sheet was prepared on the relevant dates;

Instalment means each instalment of the Outstanding Stock specified in clause 8.2;

Instalment payment date means each date specified in clause 8.2;

Monitoring Manager means PricewaterhouseCoopers or such replacement firm of insolvency specialists appointed by the Company and approved by the Trustee;

Outstanding Stock means all of the Secured Debenture Stock outstanding on 25 June 2008; and

Property Loans means the property loans identified in the Forecasts.

8.2 Instalments of Outstanding Stock

Notwithstanding the terms of issue of the Outstanding Stock and the terms of this Deed and subject to clauses 8.3, 8.4, 8.5 and 8.6, all Outstanding Stock shall be repaid on a pro rata basis in the amounts calculated as follows on the following dates:

- 20% of the principal amount of the Outstanding Stock will be repaid within 5 Business Days from the Effective Date.
- 5% of the principal amount of the Outstanding Stock will be repaid on 31 March 2009.
- 5% of the principal amount of the Outstanding Stock will be repaid on 30 June 2009.
- 5% of the principal amount of the Outstanding Stock will be repaid on 30 September 2009.
- 7.5% of the principal amount of the Outstanding Stock will be repaid on 31 December 2009.
- 7.5% of the principal amount of the Outstanding Stock will be repaid on 31 March 2010.
- 6.5% of the principal amount of the Outstanding Stock will be repaid on 30 June 2010.
- 6.5% of the principal amount of the Outstanding Stock will be repaid on 30 September 2010.
- 6.5% of the principal amount of the Outstanding Stock will be repaid on 31 December 2010.
- 6.5% of the principal amount of the Outstanding Stock will be repaid on 31 March 2011.
- 6.5% of the principal amount of the Outstanding Stock will be repaid on 30 June 2011.
- 17.5% of the principal amount of the Outstanding Stock or the balance thereof remaining having regard to the application of clause 8.4, will be repaid on 30 September 2011.

Except in accordance with clauses 8.6 and 8.7, no interest is payable on the Outstanding Stock.

8.3 Increase in Instalments

- (a) If on any Calculation Date falling immediately prior to the Instalment Payment Dates specified in column 1 below, the amount of Cash held by the Charging Group exceeds the corresponding amount in column 2 below, the Instalment payable on the Instalment Payment Date falling immediately after the relevant Calculation Date shall, subject to paragraph (c) below, be increased by the amount of the excess.

Column 1	Column 2
31 March 2009, 30 June 2009, 30 September 2009	\$25,000,000
31 December 2009, 31 March 2010	\$20,000,000
30 June 2010, 30 September 2010	\$15,000,000
31 December 2010, 31 March 2011, 30 June 2011	\$10,000,000

- (b) Paragraph (a) above is subject to:
- (i) any requirements for deposit takers under Part 5D of the Reserve Bank of New Zealand Act 1989 which affect the amount of Cash to be held by the Company; and
 - (ii) the Company maintaining Cash of a minimum of 15% of Total Tangible Assets at all times.
- (c) If as a result of making an increased Instalment payment, the Company would not comply with sub-paragraphs (b)(i) or (ii) above, the amount of the increase may be reduced (or not paid at all) so that the Company can comply with sub-paragraphs (b)(i) and (ii) above.

8.4 Decrease in Instalments

If on any Calculation Date falling immediately prior to the 30 September 2010, 31 December 2010, 31 March 2011 and 30 June 2011 Instalment Payment Dates, the payments of principal and interest received by the Company in respect of the Property Loans are less than the projected receipts for the Property Loans set out in the Forecasts up to the relevant Calculation Date (any such amount being the "shortfall"), the Company:

- (a) must promptly notify the Trustee and the Monitoring Manager; and
- (b) may decrease the Instalment payable on the relevant Instalment Payment Date by an amount not greater than the shortfall.

8.5 Adjustments for previous increased Instalments

If any Instalment has been increased under clause 8.3, and on a subsequent Instalment Payment Date, the Company is unable to pay the full amount of the Instalment payable on that Instalment Payment Date, the Company will not be in breach of this section 8 if it pays an Instalment on that date which, when added to all previous Instalments paid on previous Instalment Payment Dates, is not less than the total of the Instalments which should have been paid up to and including that date in accordance with the payment schedule in clause 8.2.

8.6 Deferral of final Instalment

If the Company is unable to pay the final Instalment due on 30 September 2011 and the Directors reasonably believe that the Company will be able to pay the final Instalment on 30 September 2012, the Company may by at least 14 days' written notice to the Holders, extend the date for payment of the final Instalment to 30 September 2012 in which case the Company will pay interest on the outstanding balance of the final Instalment on 31 December 2011, 31 March 2012, 30 June 2012 and 30 September 2012. Such interest shall accrue from day to day from and including 1 October 2011 to and excluding the date of payment of the final Instalment in full at the rate of 3.5% above the Official Cash Rate as promulgated by the Reserve Bank from time to time. All other terms and conditions of the Deferred Repayment Plan shall remain as set out in this section 8.

8.7 Additional payment

If by 30 September 2011 there has been an Increase in shareholders funds, the Company will pay to the Holders an aggregate amount equal to 50% of the Increase in shareholders funds. Each Holder will receive a portion of the aggregate amount payable, pro rata to the amount of its Outstanding Stock. The payment, if any, will be made, less any withholding taxes, on or before 14 December 2011.

8.8 Covenants

Until the Outstanding Stock has been repaid in full:

- (a) the board of directors of the Company will be not less than 2 Directors, initially being Barry Graham, Michael Fisher, John Gosney and Paul Byrnes, with any subsequent replacement or additional directors to be appointed after prior consultation with the Monitoring Manager;*
- (b) the Charging Group will realise its assets in an orderly way having regard to the Deferred Repayment Plan and professional advice from the Monitoring Manager, but without limiting the Company's ability to obtain advice from such other professionals as the Company considers may be necessary or appropriate;*
- (c) any transactions between the DPL Group (including direct costs and overhead allocation) will be made on arms length commercial terms and after prior consultation with the Monitoring Manager;*
- (d) any change to the remuneration of employees of the Charging Group or any remuneration of a new employee will be agreed on an arms length commercial basis after prior consultation with the Monitoring Manager;*
- (e) no distribution (including without limitation any amount of interest and any sum payable on redemption) shall be paid in respect of any shares in the Company or DPL;*
- (f) lending by the Charging Group will be restricted as follows:*
 - (i) the Charging Group will not make any loans where the principal purpose of the loan is to finance the purchase, subdivision, trade or development of real property, other than loans which, in the reasonable opinion of the Company, having regard to the terms and conditions of the Deferred Repayment Plan, are to refinance or facilitate the realisation of any Property Loan;*
 - (ii) new lending relating to motor vehicles, consumer goods or equipment will be limited to an aggregate maximum of \$1,000,000 per month;*
 - (iii) during the period from commencement of the Deferred Repayment Plan to 31 March 2011, the Charging Group will not make any loan unless the Cash held by the Charging Group, immediately after the loan is made, is greater than an amount equal to 15% of the Book Value of the Charging Group's Finance Receivables;*
 - (iv) during the period from 1 April 2011 to 30 September 2011, the Charging Group will not make any loans unless the Company has given notice to the Monitoring Manager of its intention to do so and received the prior consent of the Trustee; and*
- (g) the Company will not make any material amendment to the Lending and Credit Policy dated September 2008 (as previously supplied to the Trustee) without the written consent of the Trustee.*

For the purposes of this clause 8.8, where, following consultation with the Monitoring Manager, the Monitoring Manager disagrees with the action proposed to be taken, it shall promptly notify the Trustee accordingly and consult with the Trustee as to the appropriate course of action as a consequence thereof, if any.

8.9 Monitoring Manager

With effect from the Effective Date, the Company shall at its own cost, appoint and at all times maintain the appointment of, a Monitoring Manager. Without limiting anything in clause 8.8, the Monitoring Manager shall:

- (a) attend the Company's board meetings and committee meetings (including the audit committee) as an observer and be provided copies of all board papers and reports;
- (b) monitor the Deferred Repayment Plan, in particular the collectability of the loan book against the Forecasts;
- (c) advise on strategies to maximise recoveries from the loan book and report to the Directors and the Trustee in this regard;
- (d) analyse any proposal by the Directors to increase any Instalment in accordance with clause 8.3;
- (e) analyse any decision by the Directors to reduce any Instalment in accordance with either clause 8.4 or 8.5 and report to the Trustee whether, in the opinion of the Monitoring Manager, the reduction is reasonable;
- (f) have power to undertake any investigations that the Trustee may reasonably request. Notwithstanding any request by the Trustee, if the Monitoring Manager has a reasonable suspicion that the Company or any Director has committed an offence under the Securities Act 1978, the Securities Regulations 1983, the Companies Act 1993, the Financial Reporting Act 1993 or the Crimes Act 1961, the Monitoring Manager must report that fact and relevant particulars to the Trustee and any appropriate authorities;
- (g) advise the Trustee immediately if the Monitoring Manager becomes aware that the Company has breached, or will breach, any term of this Deed in any material respect, including financial and other covenants;
- (h) be provided with copies of any Director's certificates which are provided to the Trustee;
- (i) analyse and report to the Company and the Trustee on operating budgets;
- (j) until the Company, the Trustee and the Monitoring Manager agree otherwise, provide monthly regular reports to the Trustee and the Company (in such form as agreed between the Trustee and the Company) on progress during the Deferred Repayment Plan; and
- (k) disclose to, and discuss with, the Trustee, any information concerning the Charging Group or the Parent Company.

8.10 Events of Review

- (a) If an Event of Review should occur after the commencement of the Deferred Repayment Plan then the Company and/or the Monitoring Manager shall promptly notify the Trustee of the occurrence of such Event of Review.
- (b) The Company shall consult with the Trustee for the period of not less than 10 and not more than 20 Business Days immediately following the receipt of such notification with a view to agreeing on any action to be taken by the Company or any change to the Deferred Repayment Plan.
- (c) If at the end of the 20 Business Day period, the Trustee is not satisfied with the outcome of such consultation, or earlier with the agreement of the Company, the Trustee may serve a default notice on the Company.
- (d) If such a default notice is served by the Trustee on the Company pursuant to this clause 8.10, then an Event of Default shall be deemed to have occurred on the date of service on the Company of such notice.

8.11 No default

Notwithstanding any clause of this Deed or the Certificates, neither the failure by the Company to repay any Principal Moneys or interest on the due date in the period from 25 June 2008 to the Effective Date, nor the Extraordinary Resolution passed by the Holders whereby this section 8 was approved, nor the process that led to that Extraordinary Resolution, shall entitle the Trustee to enforce this Deed or exercise any of the rights under clause 5.2. This clause shall not operate to prejudice the rights of the Trustee arising as a consequence of any other breach of this Deed.

- 2 The definition of "Event of Default" is amended by adding after the words "clause 5.1.1" the words ", any breach of clause 8 (other than a breach which constitutes an Event of Review) or any default notice served under clause 8.10(c)".
- 3 Clause 5.1.1(n) is amended by adding after the words "other than" the words "a breach of any of the financial covenants in clause 4.1.1 and".
- 4 Clause 4.1.1(a) of the Debenture Trust Deed is amended by deleting "\$3,250,000 or such higher amount as is determined pursuant to clause 4.1.2 or clause 4.1.3" and inserting "\$2,500,000".
- 5 Clause 4.1.1(aa) of the Debenture Trust Deed is deleted.
- 6 Clause 4.1.1(c) of the Debenture Trust Deed is amended by deleting "86%" and inserting "100%".
- 7 Clause 4.1.1(cc) of the Debenture Trust Deed is deleted.
- 8 Clause 4.1.1(e) of the Debenture Trust Deed is deleted.
- 9 For the purpose of the calculation of "Shareholders Funds" in clause 4.1.1(a) of the Debenture Trust Deed, no account shall be taken of any reduction in the amount of deferred tax and Shareholders Funds shall be calculated at all times as if Total Tangible Assets included the amount of deferred tax appearing in the Company's Balance Sheet as at 30 September 2008.
- 10 Clause 4.2.5(a) of the Debenture Trust Deed is amended by deleting "\$4.0 million" and inserting "\$2,500,000".
- 11 Clause 4.2.5(b) of the Debenture Trust Deed is amended by deleting "86%" and inserting "100%".

12 The Company and the Trustee are authorised to enter into such amendment documentation as is necessary to effect the amendments in clauses 1 to 11 above.

13 Subject only to the terms of clauses 1 to 11 above, the Debenture Trust Deed shall remain in full force and effect.

NOTES

Enclosures

This notice of meeting is accompanied by:

- (a) a covering letter from the Board of the Company;
- (b) an Explanatory Memorandum explaining the proposed Deferred Repayment Plan;
- (c) a Prospectus;
- (d) a brief report from PricewaterhouseCoopers;
- (e) a letter from Perpetual Trust Limited; and
- (f) a Proxy and Admission Form.

You are strongly advised to read these documents carefully and to seek independent advice before making your decision.

Quorum

- 1 Before any business can be transacted at the meeting, a quorum must be present.
- 2 To constitute a quorum for the passing of an Extraordinary Resolution, Stockholders present in person or by Representative and holding at least a majority of the Principal of the Stock must be present at the commencement of business of the meeting. If the quorum is not established within half an hour from the time appointed for the meeting, the meeting will be adjourned for a period of not less than 14 days to such place as the chairman of the meeting determines, and the persons attending the adjourned meeting shall form a quorum for the transacting of business. Should it be necessary to adjourn the meeting, notice of that adjourned meeting will be given.

Voting on Resolution

- 3 The resolution will be put as an Extraordinary Resolution and, if passed, be binding on all Stockholders.
- 4 The Debenture Trust Deed provides that an Extraordinary Resolution must be passed by a majority consisting of not less than 75% of the votes given by the Stockholders present at the meeting, either in person or by proxy or representative.
- 5 Voting at the meeting will be determined by a poll of Stockholders. Every Stockholder present at the meeting, either in person or by proxy or representative, shall have one vote for every \$1 of the Principal of the Stock held by that Stockholder.

Effective date of the Resolution

- 6 The Company has also issued Subordinated Unsecured Notes under a Trust Deed dated 13 August 1996 (as amended) (the **Unsecured Trust Deed**) between the Company, certain subsidiaries of the Company, Dorchester Pacific Limited and New Zealand Permanent Trustees Limited.
- 7 A meeting of the holders of the Subordinated Unsecured Notes has also been convened for the same day as the meeting of Stockholders for the purpose of considering, and if thought fit passing, an Extraordinary Resolution under the Unsecured Trust Deed.
- 8 If the Stockholders pass the Extraordinary Resolution set out above and the holders of the Subordinated Unsecured Notes pass the Extraordinary Resolution put at their meeting, then the Extraordinary Resolution set out above will become effective from the date on which both resolutions have been passed.
- 9 If either the Stockholders or the holders of the Subordinated Unsecured Notes do not pass their respective Extraordinary Resolution, then neither of the Extraordinary Resolutions will become effective.

Procedure for Voting and proxies

- 10 A Stockholder who is an individual may vote personally or by Representative (being a person appointed by an instrument of proxy or by a power of attorney).
- 11 A Stockholder which is a company may vote by its Representative (being a person appointed by an instrument of proxy or by a power of attorney, or a person authorised pursuant to the Stockholder's constitution or any other empowering provision).
- 12 A Representative need not be a Stockholder.
- 13 A Proxy and Admission Form for use at the meeting is enclosed with this notice of meeting. Unless you state otherwise, the Proxy and Admission Form will be valid at any adjourned meeting.
- 14 If you wish to appoint a proxy, the Proxy and Admission Form, and a copy of any power of attorney or other authority (if any) under which that Proxy Form is signed must be posted or sent by facsimile to Computershare Investor Services, Private Bag 92119, Auckland 1142, facsimile: (09) 488 8787, in either case so as to be received no later than **5:00 pm 15 December 2008**.
- 15 If you do not wish to appoint a proxy, please bring the Proxy and Admission Form with you to the meeting.
- 16 The Trustee may in its sole discretion at any time approve and elect to treat as valid any instrument of proxy notwithstanding that it is received or produced at a place other than that specified in the notice or out of time.
- 17 If you appoint a proxy and return your Proxy and Admission Form, you may still attend the meeting and vote, if you wish to do so.