

Distribution Schedule

1. The Settlement Sum of NZ\$18 million represents a compromise payment to be distributed to Eligible Investors (excluding any Defendants who may have subscribed), who invested or reinvested in the Relevant Period, in each of HFL, UFL and HCL, but excluding those investments and reinvestments made in the Relevant Period which were repaid prior to Moratorium. It is a compromise payment to compensate for some of the losses suffered by the Eligible Investors.
2. Of the 16,500 investors in all three companies, only those investors who invested or reinvested in the period 7 December 2007 to 23 July 2008 will be eligible for a share in the Settlement Sum. Their distribution will only relate to the value of the investment (or reinvestment) made in that period and not to any prior investment. An Eligible Investor does not include an investor who invested prior to 7 December 2007 and who did not reinvest that investment in the period 7 December 2007 to 23 July 2008.
3. A third party, Deloitte, will be engaged to independently design, implement and manage the distribution process.
4. Deloitte has recommended that a fair and reasonable mechanism to calculate the pro rata distribution for each Eligible Investor is by reference to the net exchange values adopted for each of the Hanover Finance Company investor groups in the Allied Farmers Limited debt for equity swap (see below). The FMA agrees with this recommendation and propose to adopt this approach. The Defendants do not object. This mechanism is proposed to be used in the absence of a court determined compensation methodology.

	Face Value	Interim Distribution	Release	Net Exchange
HFL Secured Depositors	100 cents	Less 6 cents	Less 22 cents	= 72 cents
UFL Secured Stockholders	100 cents	Less 6 cents	Less 10 cents	= 84 cents
HFL Subordinated Noteholders	100 cents	Nil	Less 70 cents	= 30 cents
HCL Bondholders	100 cents	Nil	Less 70 cents	= 30 cents

5. The Defendants will assist Deloitte to compile an accurate database of Eligible Investors. Deloitte will correspond with Eligible Investors with respect to their potential distribution entitlement. Once the details and distribution entitlements have been determined, and identity has been verified, payments will be made to investors. Any unclaimed amounts will be paid to the Inland Revenue in accordance with the Unclaimed Moneys Act 1971.