

PGG Wrightson Finance Limited

Notice of Special Meeting of Bondholders

Notice is hereby given that a Special Meeting of Bondholders of PGG Wrightson Finance Limited (**PGG Wrightson Finance** or the **Company**) will be held at the Ward Room, Copthorne Hotel Commodore Christchurch Airport, 449 Memorial Avenue, Christchurch 8053 at 10.00am on 28 July 2010.

Business

The business of the meeting will be to consider the Company's proposal to amend the terms of the Trust Deed relating to Bonds between (now) PGG Wrightson Finance and New Zealand Permanent Trustees Limited (**Trustee**) dated 21 April 2005, as amended by a Deed of Modification and Supplement dated 17 November 2008 and Deed of Variation to Trust Deed Relating to Bonds dated 7 July 2010 (**Bond Trust Deed**), including the terms and conditions (**Conditions**) of its NZDX listed fixed rate secured bonds, stock code PWF030 (**Secured Bonds**).

The proposed variations to the Bond Trust Deed, including the Conditions, (**Proposal**) are:

- To amend the Conditions, so that PGG Wrightson Finance has the ability (at its election) to extend the term of the Secured Bonds by up to 12 months from their current Maturity Date of 8 October 2010 (**Company's Term Extension Option**). It does so by making the Company's Term Extension Option only conditional upon the Company's participation in the extended Crown retail deposit guarantee scheme, which commences on 12 October 2010 and ends on 31 December 2011. At the date of this Notice, the Company satisfies this condition.
- To include a new Condition that permits Bondholders who hold in excess of \$250,000 of Specified Securities (being debt securities of PGG Wrightson Finance that have the benefit of the Crown guarantee, which includes the Secured Bonds) of the Company as at the Exercise Date (being the date on which the Company gives notice of the exercise of the Company's Term Extension Option, if the Proposal is approved), to put Secured Bonds back to the Company, so as to reduce their exposure to the Company to within the coverage range of the extended Crown guarantee.
- To include a new Condition that provides for the Secured Bonds of those Bondholders whose address entered in the Bond Register at the close of business in New Zealand on 9 July 2010, is outside of New Zealand, and cannot participate in the Proposal, to be redeemed on the current Maturity Date of 8 October 2010. This is because the Proposal is not made by PGG Wrightson Finance to those Bondholders in legal jurisdictions outside of New Zealand.

- To amend the Bond Trust Deed and the Conditions so as to enable PGG Wrightson Finance to hold repurchased Secured Bonds as treasury stock where permitted to do so by the terms and conditions of those Secured Bonds, rather than cancelling them upon repurchase, as is currently the case. If PGG Wrightson Finance holds Secured Bonds as treasury stock it cannot exercise voting or other rights attaching to them. A new Condition is inserted that permits PGG Wrightson Finance to hold the Secured Bonds repurchased in accordance with the put option detailed earlier, as treasury stock.

The Proposal has consequences for Bondholders. It alters a number of terms of the Bond Trust Deed and the Conditions of the Secured Bonds. Bondholders are encouraged to know and understand their rights. Bondholders should read all documents carefully, ask questions and seek professional advice from an adviser before voting for or against the Proposal.

Further explanation of the Proposal

A detailed explanation of the Proposal, including the proposed variations to the Bond Trust Deed, including the Conditions, is set out in the prospectus entitled "*PGG Wrightson Finance Limited Short Form Prospectus relating to a proposal to vary the terms of PGG Wrightson Finance Limited's NZDX Listed, Fixed Rate, Secured Bonds, Stock Code PWF030*" dated 9 July 2010 which accompanies this Notice (**Prospectus**). PGG Wrightson Finance recommends that Bondholders read the Prospectus.

The accompanying draft of the Deed of Variation of the Bond Trust Deed and summary provided in the Explanatory Notes to this Notice may also assist Bondholders.

A copy of the Bond Trust Deed, including the current Conditions, can be obtained free of charge from PGG Wrightson Finance:

- in person, by attending the Company's registered office, 57 Waterloo Road, Christchurch, from Monday to Friday, 8.30am to 5.00pm (other than statutory holidays);
- by writing to the Investment Manager, PGG Wrightson Finance, at PO Box 292, Christchurch 8042, facsimile 03 372 0945 or e-mail andrewcleland@pggwrightson.co.nz;
- by calling the Investment Manager, PGG Wrightson Finance on telephone 0800 744 346; or
- by downloading it from the Company's website at www.pggwrightsonfinance.co.nz.

Capitalised terms which are used in this Notice of Special Meeting of Bondholders are defined in the Prospectus. Others are defined in the context in which they are used in this Notice.

Proposal restricted to New Zealand

The Proposal is made by PGG Wrightson Finance only to Bondholders in New Zealand. The Proposal does not apply to the Secured Bonds of those Bondholders whose address entered in the Bond Register at the close of business in New Zealand on 9 July 2010, is outside of New Zealand. The Secured Bonds held by these Bondholders will be repaid on the current Maturity Date of 8 October 2010.

Notice of Special Meeting of Bondholders (continued)

Extraordinary Resolution

The Proposal is to be considered and if thought fit adopted by Extraordinary Resolution of Bondholders.

The text of the Extraordinary Resolution to be considered at the Special Meeting of Bondholders is as follows:

That the Bondholders resolve to:

1. *approve the Proposal, as set out in the Company's Short Form Prospectus dated 9 July 2010 in respect of the same; and*
2. *authorise the Company and the Trustee, in accordance with clause 14.1(a)(ii) of the Bond Trust Deed, to enter into a Deed of Variation of the Bond Trust Deed in the form circulated to Bondholders with the Notice of Special Meeting, so as to give effect to the Proposal.*

Attendance Card, Proxies and Representatives

Enclosed with this Notice of Special Meeting of Bondholders is an Attendance Card and Proxy Form.

All Bondholders are entitled to attend and vote at the Special Meeting of Bondholders or to appoint a proxy or a representative to attend and vote in their place.

If you will be attending the meeting please bring the Attendance Card with you for ease of identification.

If you do not wish to attend it is recommended that you appoint a proxy. Bondholders who are corporate entities may appoint a proxy or a representative to attend and vote in their place. A proxy or a representative need not be a Bondholder.

For the appointment of a proxy to be valid, the Proxy Form must be forwarded to and received by, the Bond Registrar by no later than 48 hours before the commencement of the meeting (being no later than 10.00am on 26 July 2010). The contact details of the Bond Registrar are:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
North Shore City 0622
Private Bag 92-119
Auckland 1142
Facsimile: 09 488 8787

Mark Charles Darrow, the Chief Executive Officer of PGG Wrightson Finance, offers himself as proxy to Bondholders and will vote in favour of the Extraordinary Resolution to be considered at the Special Meeting of Bondholders, unless otherwise directed.

Requisite majorities and voting

The persons who will be entitled to attend and vote at the Special Meeting of Bondholders are those persons who are entered in the Bond Register as Bondholders at 5.00pm on 23 July 2010.

The resolution is an Extraordinary Resolution and will be approved if not less than 75% of Bondholders present in person or by proxy and voting at the Special Meeting of Bondholders vote in favour of the same. If the Extraordinary Resolution is approved then it will bind all Bondholders and the Trustee.

For the further terms relating to the appointment of a proxy and the conduct of the meeting see the Explanatory Notes on the back of the Attendance Card and Proxy Form.

NZX approval

The changes to the Bond Trust Deed proposed by the Extraordinary Resolution have been approved by NZX Limited in accordance with the NZDX Listing Rules.

By Order of the Board of Directors



Michael Nicholas Allen
Chairman
9 July 2010

PGG Wrightson Finance Limited

Explanatory Notes to the Notice of Special Meeting of Bondholders

PGG Wrightson Finance provides the following explanatory notes and commentary to assist Bondholders with their understanding of the Proposal. A detailed explanation of the Proposal is set out in the Prospectus. PGG Wrightson Finance recommends that Bondholders read the Prospectus.

Important notice

If not less than 75% of Bondholders present in person or by proxy and voting at the meeting of Bondholders vote in favour of the Proposal, then the Proposal will be approved and bind all Bondholders and the Trustee.

About the Secured Bonds

The Secured Bonds, which are the subject of the Proposal, are PGG Wrightson Finance's NZDX listed, fixed rate, secured bonds, stock code PWF030. The Secured Bonds were constituted and issued in accordance with the Bond Trust Deed.

The Secured Bonds were offered pursuant to a combined Investment Statement and Prospectus offer document dated 17 November 2008 (**Bond Offer Document**). On 23 December 2008, PGG Wrightson Finance allotted \$100 million of the Secured Bonds.

Generally speaking, the Bond Trust Deed and Conditions of the Secured Bonds permitted PGG Wrightson Finance to extend the term of the Secured Bonds by up to 12 months from their Maturity Date of 8 October 2010, if the Crown Guarantee which the Company held at the date of the Bond Offer Document was also extended on similar terms. As PGG Wrightson Finance's new Crown Guarantee is different this right cannot be exercised by the Company.

Purpose of the Proposal

The principal purpose of this Proposal is therefore to amend the Bond Trust Deed, including the Conditions, so that PGG Wrightson Finance again has the ability (at its election) to extend the term of the Secured Bonds by up to 12 months from their current Maturity Date of 8 October 2010 notwithstanding that PGG Wrightson Finance's new Crown Guarantee is different from the one held at the time the Secured Bonds were issued.

The Proposal also makes a number of other ancillary amendments to the Bond Trust Deed and the Conditions, as follows:

- The Proposal inserts a new Condition that permits Bondholders who hold in excess of \$250,000 of Specified Securities of the Company as at the Exercise Date to put their Secured Bonds back to the Company, so as to reduce their exposure to the Company to within the coverage range of the extended Crown Guarantee (**Put Option**).
- The Proposal inserts a new Condition that provides for the Secured Bonds of those Bondholders whose address entered in the Bond Register at the close of business in New Zealand on 9 July 2010, is outside of New Zealand, and cannot participate in the Proposal, to be redeemed on the current Maturity Date of 8 October 2010. This is because the Proposal is not made by PGG Wrightson Finance to those Bondholders in jurisdictions outside of New Zealand.
- The Proposal amends the Bond Trust Deed and the Conditions so as to enable PGG Wrightson Finance to hold repurchased Secured Bonds as treasury stock, rather than cancelling the Secured Bonds upon repurchase, as is currently the case. If PGG Wrightson Finance holds Secured Bonds as treasury stock it cannot exercise voting or other rights attaching to them.

The effect of the Proposal, if approved, is that the term of the Secured Bonds will likely be extended for another year, to 8 October 2011, enabling Bondholders to participate in a bond, which the Directors consider offers an attractive rate of return when compared to comparable debt securities and continues to have the benefit of the Crown Guarantee, subject to its terms.

Amendment to the Bond Trust Deed

Clause 2.12 of the Bond Trust Deed, which concerns the redemption or purchase of Secured Bonds from Bondholders by PGG Wrightson Finance, will be amended by the Proposal to read as follows:

2.12 Redemption or purchase and cancellation

- Each Bond which is redeemed in accordance with this Deed is and will be deemed to be cancelled, and neither the Company nor the Trustee will have any further liabilities or obligations in respect of that Bond or the relevant Bondholder.
- The Company may at any time and from time to time purchase any Bond for its own account. Subject to the Conditions attaching to the Bond permitting the holding of the same by the Company as treasury stock, each Bond purchased by the Company or a subsidiary will be cancelled and neither the Company nor the Trustee will have any further liabilities or obligations in respect of that Bond or the relevant Bondholder.
- Where a Bond is held as treasury stock the Company will not be entitled to exercise voting or any other rights in respect of the same.

The effect of this amendment is to permit the Company to purchase Secured Bonds from Bondholders for its own account and if the Conditions of the Secured Bonds permit the Company to do so (and the Conditions, as amended, will so permit), the Company may hold those Secured Bonds as treasury stock, rather than cancelling them. However if it does hold Secured Bonds as treasury stock all voting and other rights attaching to them are suspended. The Company may at a later date elect to sell any Secured Bonds it holds as treasury stock.

Explanatory Notes to the Notice of Special Meeting of Bondholders (continued)

All rights attaching to the Secured Bonds will resume upon their sale by the Company to another party. This means that the Company will not be required to cancel all Secured Bonds upon purchasing them, as is currently the case.

Amendment of the Conditions

The amendments to be made by the Proposal to the Conditions are highlighted below.

Where the Condition that is to be amended formed part of the original terms and conditions of issue for the Secured Bonds, then it has been reproduced below as it was set out in the Bond Offer Document. However, please note that for ease of reference, definitions used in this Notice and the Prospectus have been preferred.

Where a term or condition is to be deleted by the Proposal, then that term has been stricken by placing a line through it. Where a term or condition is to be added by the Proposal, then that term has been highlighted by underlining it.

Following each amended or new Condition there is an explanatory information box, which explains the effect of the amendment, proposed to be made by the Proposal.

Company's Term Extension Option

Condition 5, which concerns the Company's Term Extension Option, will be amended by the Proposal to read as follows:

5 Term Extension Option

- 5.1 PGG Wrightson Finance may, by written notice (**Term Extension Notice**) to the Trustee and the Bondholders ~~not less than 20 Business Days prior to the Maturity Date sent not later than 4 Business Days after the Effective Date~~, elect to extend the term of the Secured Bonds for a period of up to 12 months (to an adjusted Maturity Date of no later than 8 October 2011) (**Term Extension Period**), in accordance with this Condition 5.

Explanation

This amendment means that PGG Wrightson Finance must elect to exercise the Company's Term Extension Option by giving a notice to the Trustee and Bondholders sent not later than four Business Days after the date on which the Bondholders by Extraordinary Resolution approved the Proposal and the amendment of the Bond Trust Deed, including the Conditions (**Exercise Date**).

So, if the Proposal is approved at the Special Meeting of Bondholders, then the Company must send this notice by 3 August 2010. This date will be delayed if an adjourned meeting is required.

As such, Bondholders will know very shortly after the Special Meeting of Bondholders or adjourned meeting if the Company's Term Extension Option is to be exercised by the Company.

If the Company's Term Extension Option is exercised, the Maturity Date of the Secured Bonds may be deferred from 8 October 2010 by up to 12 months. The latest adjusted Maturity Date is therefore 8 October 2011.

In the notice to the Trustee and Bondholders, the Company will specify the Term Extension Period and the adjusted Maturity Date.

5.2 The exercise of PGG Wrightson Finance's Term Extension Option is conditional upon:

- (a) ~~PGG Wrightson Finance's participation in the New Zealand deposit guarantee scheme and the Crown Deed of Guarantee being extended by a term equal to or greater than the Term Extension Period; or~~
- (b) ~~PGG Wrightson Finance otherwise participating in a Crown scheme or other arrangement that has an analogous effect to the New Zealand deposit guarantee scheme, that is, in the Trustee's sole and reasonable opinion, on such terms and subject to such conditions which are at least as favourable to the Bondholders as the terms and conditions of the New Zealand deposit guarantee scheme, and the term of that scheme or arrangement commencing no later than 12.01am on 12 October 2010 and ending after the last day of the Term Extension Period (the "Term Extension Date"); or~~
- (c) ~~the Parliament of New Zealand enacting legislation that:~~
- (i) ~~creates a scheme or other arrangement that has an analogous effect to the New Zealand deposit guarantee scheme and guarantees all indebtedness of PGG Wrightson Finance; or~~
- (ii) ~~otherwise directly or indirectly guarantees all indebtedness of PGG Wrightson Finance, that is, in the Trustee's sole and reasonable opinion, on such terms and subject to such conditions which are at least as favourable to the Bondholders as the terms and conditions of the New Zealand deposit guarantee scheme and the legislation and guarantee is to take effect no later than 12.01am on 12 October 2010 and, if the terms and conditions are to cease to have effect, then they will not cease to have effect until after the Term Extension Date.~~

5.2 The exercise of the Company's Term Extension Option is conditional upon the Company's participation in the extended Crown retail deposit guarantee scheme established under the Crown Retail Deposit Guarantee Scheme Act 2009.

Explanation

Under the current Conditions of the Secured Bonds the Company is not entitled to exercise the Company's Term Extension Option because it cannot satisfy any of original Conditions 5.2(a) to 5.2(c).

That is, the extended Crown Guarantee is a new guarantee, it is not an extension of the original Crown Guarantee (Condition 5.2(a) does not apply), the terms and conditions of the extended Crown Guarantee are not as favourable to the Bondholders as the terms and conditions of the original Crown Guarantee (Condition 5.2(b) does not apply), the extended Crown Guarantee, although enabled by new legislation (being the Crown Retail Deposit Guarantee Scheme Act 2009), does not apply directly as a result of that legislation (i.e. the Company still had to be granted the extended Crown Guarantee by the Crown) and the terms and conditions of the extended Crown Guarantee are not as favourable

to the Bondholders as the terms of the original Crown Guarantee (Condition 5.2(c) does not apply).

The effect of this amendment is that PGG Wrightson Finance will be entitled to exercise the Company's Term Extension Option. If it is exercised by the Company then the Maturity Date of the Secured Bonds will be deferred from 8 October 2010. The Secured Bonds will not be repaid on 8 October 2010 as is currently the case.

The Crown has granted to the Company a Crown Guarantee which entitles it to participate under the extended Crown retail deposit guarantee scheme established by the Crown Retail Deposit Guarantee Scheme Act 2009. This extended Crown Guarantee commences at 12.01am on 12 October 2010 and expires on 31 December 2011 (which is after the last day of the Term Extension Period, being 8 October 2011).

- 5.3 In the event that the Company exercises the Company's Term Extension Option, the Company will pay an additional brokerage fee to the Lead Manager, Primary Market Participants, and other approved financial intermediaries at the rate of 0.25% per annum of the aggregate Issue Price of Secured Bonds originally allotted under this Offer pursuant to valid applications bearing their stamp.
- 5.4 The Company may only exercise the Company's Term Extension Option once.

Bondholder's Put Option

A new Condition 7, which concerns the Bondholder's Put Option, will be inserted by the Proposal. This new Condition will read as follows:

7 Put Option

- 7.1 Exercise of Put Option: Each Bondholder may, by irrevocable written notice (in or substantially in the form agreed between the Company and Trustee) (Put Notice) sent to and received by the Registrar, by no later than 5.00pm on that Business Day which is 15 Business Days after the Exercise Date, and subject to the satisfaction of the conditions at Conditions 7.2 and 7.3, sell all or any number of the Secured Bonds (each a Put Bond) held by that Bondholder up to an amount equivalent to the aggregate principal amount of the Bondholder's holdings in Specified Securities of the Company at the Exercise Date less \$250,000, to the Company (or its nominee) for purchase at the Principal Amount, in accordance with clause 2.12 of the Bond Trust Deed (Put Option).

The maximum aggregate Principal Amount of Bonds that the Bondholder may make subject to the Put Option, may be increased by an amount equal to the Minimum Holding, where the Bondholder wishes to reduce their holding of Specified Securities to \$250,000 but is prevented from doing so because the Principal Amount of the Bonds retained by that Bondholder would be less than the Minimum Holding requirement.

Explanation

Bondholders will be promptly advised of the success or otherwise of the Proposal by the Company. This advice by the Company will inform the Bondholder as to whether or not the Company's Term Extension Option is being exercised and confirm the Effective Date.

For the purposes of this Condition, Bondholders must know the aggregate principal amount of all Secured Bonds and all retail secured deposits (also called secured debenture stock), rural saver deposits and credit balance current accounts, which they hold in PGG Wrightson Finance and that has the benefit of the extended Crown Guarantee (**Specified Securities**). Bondholders must calculate the aggregate principal amount of the Specified Securities held by them on the Exercise Date. At the date of this Prospectus, the Exercise Date will likely be 3 August 2010.¹

If a Bondholder does not have this information they should contact the Investment Manager at PGG Wrightson Finance, 57 Waterloo Road, PO Box 292, Christchurch 8140, telephone 0800 744 346, facsimile 03 372 0945 or email andrewcleland@pggwrightson.co.nz.

This amendment means that Bondholders who hold in excess of \$250,000 of Specified Securities of the Company on the Exercise Date (**Qualifying Bondholders**) will need to assess their position and, if they consider it appropriate, they can put to the Company (or its nominee) Secured Bonds up to an amount equivalent to the aggregate principal amount of the Bondholder's holdings in Specified Securities of the Company at the Exercise Date less \$250,000.

The only instance where the aggregate Principal Amount of Secured Bonds that the Bondholder may put to the Company can be increased above this limit, is where the Bondholder wishes to reduce their holding of Specified Securities to \$250,000 but is prevented from doing so because the Principal Amount of the Secured Bonds to be retained by them would be less than the Minimum Holding requirement. In such case, the maximum aggregate Principal Amount of Secured Bonds that the Bondholder may put to the Company can be increased by an amount equal to the Minimum Holding, of \$5,000.

For the avoidance of doubt, Qualifying Bondholders do not have to sell their Secured Bonds, if they do not wish to. Before making this decision Qualifying Bondholders should consider the application of the Crown Guarantee.

A Put Notice for use by Qualifying Bondholders is included in the Prospectus. The form of the Put Notice was agreed by the Company and Trustee.

Qualifying Bondholders must send their Put Notice so that it is received by the Bond Register by no later than 5.00pm on that Business Day which is 15 Business Days after the Exercise Date. The Bond Registrar's details are included in the Prospectus.

So, if the Proposal is approved at the Special Meeting of Bondholders and notice of the Company's Term Extension Option being exercised is sent on 3 August 2010¹, then Qualifying Bondholders must ensure that if they wish to sell some of their Secured Bonds their Put Notice is sent to and

¹ The date of 3 August 2010 assumes that the Proposal is approved at the Special Meeting of Bondholders, the meeting is not adjourned to a later date and the Company's Term Extension Option is promptly exercised.

Explanatory Notes to the Notice of Special Meeting of Bondholders (continued)

received by the Bond Registrar by no later than 5.00pm on 24 August 2010. This date will be delayed if an adjourned meeting is required.

Qualifying Bondholders will be able to give their Put Notice after they know if PGG Wrightson Finance has exercised the Company's Term Extension Option. For the timing of the exercise of the Company's Term Extension Option see Condition 5.1. This gives Qualifying Bondholders an opportunity to consider whether they will put back or change their holding of Secured Bonds before they exercise the Put Option.

7.2 Condition of Operation of Put Option: The operation of the Put Option will be conditional upon the Company exercising the Company's Term Extension Option.

Explanation

The Put Option will only apply if the Company's Term Extension Option is exercised by PGG Wrightson Finance under Condition 5. If the Company's Term Extension Option is not exercised, the Put Option is not required because they will be repaid on the current Maturity Date of 8 October 2010.

7.3 Terms of Operation of Put Option: The Put Notice issued by the Bondholder must stipulate the Principal Amount of Put Bonds that they wish to sell to the Company for it to purchase under the Put Option, which:

- (a) must be a multiple of \$1,000;
- (b) where the Bondholder elects to retain Secured Bonds that could otherwise be the subject of the Put Option, then the remaining Secured Bonds must meet the Minimum Holding requirement;
- (c) must not exceed the maximum amount of Secured Bonds the Bondholder may make subject to the Put Option, determined in accordance with Condition 7.1.

Explanation

Qualifying Bondholders must give a Put Notice to PGG Wrightson Finance if they wish to use the Put Option. A Put Notice is included in the Prospectus.

The Put Notice must specify the number of Put Bonds that the Qualifying Bondholder wishes to sell. That number must be in multiples of \$1,000.

Where the Qualifying Bondholder will still hold Secured Bonds after the Put Option is exercised their holding of Secured Bonds may not be less than the Minimum Holding being, as at the date of the Prospectus, \$5,000.

The number of Put Bonds that the Qualifying Bondholder puts back to the Company cannot exceed an amount equal to the aggregate principal amount of the Bondholder's holdings in Specified Securities of the Company at the Exercise Date less \$250,000.

However, as noted at Condition 7.1 the number of Put Bonds can be increased by an amount equal to the Minimum Holding, where the Bondholder wishes to reduce their holding of Specified Securities to \$250,000 but is prevented from doing so because the Principal Amount of the Bonds retained by that Bondholder would be less than the Minimum Holding.

7.4 Settlement of Put Bonds: Settlement of the Put Option will be effected by the Company (or its nominee) paying to the Bondholder in respect of each Put Bond on 8 October 2010, the Principal Amount for that Put Bond in cleared and immediately available funds, such payment to constitute good and effective discharge by the Company of all its obligations in this regard. For the avoidance of doubt, Interest on Put Bonds will also be payable by the Company to the Bondholder for the Interest Period ending on 8 October 2010, in accordance with Condition 4.

Explanation

The Qualifying Bondholder will be paid by PGG Wrightson Finance (or its nominee) for the Put Bonds on 8 October 2010. As this is also an Interest Payment Date, the Qualifying Bondholder will also receive an Interest payment for the Interest Period ending on that date.

7.5 *Company as Attorney:* The Bondholders each hereby irrevocably appoint the Company as their attorney, for the purpose of signing such forms or other documents, (but for the avoidance of doubt, excluding the giving of any Put Notice), and taking all such other steps, as may be necessary or desirable to complete the purchase of the Secured Bonds pursuant to the Put Option in accordance with the terms of this Condition.

Explanation

This Condition allows the Company to complete any “paper work” associated with the Put Bonds on behalf of the Qualifying Bondholder so as to complete the Put Option.

Overseas Bondholders

A new Condition 8, which concerns overseas Bondholders, will be inserted by the Proposal and read as follows:

8 *Overseas Bondholders*

8.1 Conditions 5 and 7 will not apply to the Bonds held by Bondholders whose address entered on the Register at the close of business in New Zealand on 9 July 2010, is outside of New Zealand. The Secured Bonds held by those Bondholders will be redeemed on their original Maturity Date of 8 October 2010. For the avoidance of doubt, Interest on these Secured Bonds will also be payable by the Company to the Bondholder for the Interest Period ending on 8 October 2010, in accordance with Condition 4.

Explanation

The Proposal does not extend to the Bonds of those Bondholders whose address entered in the Bond Register at the close of business in New Zealand on 9 July 2010, is outside of New Zealand. This is because the Proposal is not made by PGG Wrightson Finance to those Bondholders in legal jurisdictions outside of New Zealand. Those Bondholders cannot participate in this Proposal.

At the date of this Notice, there are seven Bondholders holding Secured Bonds in the Principal Amount of \$960,000 affected by this Condition. The Secured Bonds held by these Bondholders will be redeemed on their original Maturity Date of 8 October 2010.

Treasury Stock

A new Condition 9, which permits PGG Wrightson Finance to hold Secured Bonds as treasury stock, will be inserted by the Proposal and read as follows:

9 *Treasury Stock*

9.1 *Treasury Stock Permitted:* Secured Bonds purchased by the Company pursuant to Condition 7 may be held as treasury stock, if the board of directors of the Company resolves that the Secured Bonds concerned will not be cancelled on purchase, and may be sold on market.

Explanation

This Condition allows the Company to retain (rather than cancel) any Bonds that it purchases back in accordance with Condition 7 for the purposes of resale.

All rights attaching to the Put Bonds held as treasury stock will resume upon their sale by the Company to another party.

The use of treasury stock provides the Company with the ability to maintain the principal amount of the Secured Bonds on issue (unless the Company elects to cancel some or all of the Put Bonds that it purchases).

However, if the Company holds a significant amount of Secured Bonds as treasury stock then this may reduce the liquidity of the market for Secured Bonds (by virtue of there being one party, the Company, holding a significant portion of the market).

The holding of a significant amount of the Secured Bonds as treasury stock or the sale of a large number of Secured Bonds held as treasury stock by the Company on the NZDX market may result in a reduction (whether temporary or otherwise) in the secondary market price of the Secured Bonds. This risk increases or decreases as the amount of Secured Bonds held by PGG Wrightson Finance increases or decreases.

9.2 *Subsequent Cancellation:* A Secured Bond which the Company holds as treasury stock may be cancelled by the board of directors of the Company resolving the same is cancelled and the Secured Bond will be deemed to be cancelled on the making of such a resolution.

Explanation

This Condition allows the Company to subsequently cancel any Bonds that it holds and decides that it does not wish to sell.

Explanatory Notes to the Notice of Special Meeting of Bondholders (continued)

Crown Guarantee

PGG Wrightson Finance has a guarantee under a Crown retail deposit guarantee scheme, being a guarantee that expires on 31 December 2011.

At the date of this Notice:

- PGG Wrightson Finance has a guarantee under the New Zealand deposit guarantee scheme which expires on 12 October 2010; and
- PGG Wrightson Finance has a guarantee under the Crown Retail Deposit Guarantee Scheme Act 2009, which commences on 12 October 2010 and expires on 31 December 2011.

The terms and conditions of PGG Wrightson Finance's guarantee under the New Zealand deposit guarantee scheme and Crown Retail Deposit Guarantee Scheme Act 2009 are set out in the relevant Crown Deed of Guarantee (**Crown Guarantee**).

The general terms of Crown retail deposit guarantee scheme are summarised on the internet site maintained by, or on behalf of the Treasury, at www.treasury.govt.nz.

However, there are important differences between the Crown Guarantees. The most significant of these is that eligible investors in Specified Securities of the Company will have the benefit of the Crown Guarantee given under the:

- New Zealand deposit guarantee scheme, up to \$1 million in aggregate under all guarantees granted to the Company under that scheme, until 12 October 2010; and
- Crown Retail Deposit Guarantee Scheme Act 2009, up to \$250,000 from 12 October 2010 to 31 December 2011.

PGG Wrightson Finance recommends that Bondholders understand the differences between the Crown Guarantees, which are detailed in the Prospectus, and if necessary obtain independent advice regarding the impact of the Crown Guarantee in relation to their personal circumstances and their investment in Specified Securities of the Company, before voting for or against the Proposal.