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10 May 2021

To Debenture Holders

Dear Sir/Madam

**Banksia Securities Limited
(Receivers and Managers Appointed) (In Liquidation) (Special Purposes Receivers Appointed)
ACN 004 736 458 (Banksia)**

I refer to my appointment as liquidator of Banksia on 24 June 2014 and subsequently as Special Purpose Receiver of certain assets of Banksia on 30 September 2015. I write this letter to you in my capacity as Special Purpose Receiver.

1. Distribution to debenture holders

As foreshadowed in our previous correspondence dated 15 January 2021, the Special Purpose Receivers made an application to the Court to facilitate a further interim distribution to debenture holders prior to judgment being handed down in relation to the remaining Trust Co settlement proceeds.

I am pleased to advise that, on 8 April 2021, the Honourable Justice Dixon made orders authorising an interim distribution to debenture holders of \$13 million from the remaining Trust Co settlement proceeds.

In order to round the distribution up to an amount of 2 cents in the dollar owed to each debenture holder, the Receivers and Managers have agreed to top up the balance to be distributed by an additional \$264,167.79.

Your dividend has been deposited into your nominated bank account, or a cheque is enclosed to this letter.

The total distribution paid to debenture holders now totals 91.5 cents in the dollar.

As part of the distribution scheme approved by the Honourable Justice Dixon, the Special Purpose Receivers are required to report to the Court by 30 July 2021 advising the progress of the distribution, specifically in relation to the number and quantum of unrepresented cheques. Therefore, we encourage all debenture holders to bank their cheques as soon as possible.

2. Update on the Remittal Proceedings

The trial in the Remittal Proceedings concluded on 18 March 2021.

The Honourable Justice Dixon reserved judgment. Given the length of the trial, extent of evidence and complexity of the issues involved, the timing of the Honourable Justice Dixon's judgment is unknown.

The Special Purpose Receivers' are unable to provide an estimate on the quantum and timing of any further distributions to debenture holders until judgment is handed down.

3. Queries

Should you have any queries in relation to the distribution, please contact Link Market Services on (02) 8767 1029 or email at banksia@linkmarketservices.com.au. Please also contact Link Market Services to notify of any change of address or circumstances.

Should you know of any debenture holder who has changed address, please bring this letter to their attention.

Should you have any general queries relating to the Special Purpose Receivership, or in relation to the current status of the Remittal Proceedings, please contact Ms Regine Imperial-Powers of this office on 03 8663 8613 or by email at rimperial@kpmg.com.au.

Yours faithfully

Banksia Securities Limited



John Lindholm

Special Purpose Receiver

Encl.