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**NOTIFICATION TO INVESTORS – 16 August 2022**  
**Halifax Investment Services Pty Limited (In Liquidation) (Halifax AU)**  
**Halifax New Zealand Limited (In Liquidation) (Halifax NZ) (together the Halifax Group)**

The Liquidators have identified a number of claims against former lawyers and auditors who provided professional services to Halifax AU. The claims arise out of services provided to Halifax AU before the Liquidators' appointment which the Liquidators consider caused loss to the Halifax Group. That loss is, in significant part, its liability to Investors, being the difference between the money that should have been held on trust by Halifax AU for Investors and the amount that was actually held on trust. The loss also includes costs associated with the liquidation.

Accordingly, the Liquidators have sought funding to pursue claims against Halifax AU's former auditors and former solicitors. They have reached agreement in principle with a litigation funder to fund proceedings to pursue those claims.

The Liquidators have made an application to the Federal Court of Australia and the High Court of New Zealand seeking certain orders in respect of the proposed litigation funding agreement and pursuit of the claims generally. In particular:

- (a) The Liquidators have applied to the Federal Court of Australia seeking approval pursuant to section 477(2B) of the Corporations Act 2001 (Cth) for Halifax AU and the Liquidators (**together, the Plaintiffs**) to enter into a funding agreement (**Funding Agreement**). Such approval is necessary under the Corporations Act because the Funding Agreement is an agreement in respect of which the obligations of the parties may be discharged by performance more than three months after the Funding Agreement is entered into by the parties.
- (b) In the same application, the Liquidators also seek judicial advice and/or directions that, in circumstances where the Funding Agreement is in place, the Plaintiffs are justified in pursuing the proposed claims and being paid their remuneration for bringing and prosecuting the claims. There will be no exposure to Investors for legal fees of either of Halifax AU or the proposed defendants as a result of the proposed Funding Agreement, and the Liquidators have recovered amounts through settlement of other claims which are in an amount approximately commensurate with the Liquidators' remuneration associated with bringing and prosecuting the proposed recovery actions and Halifax AU's former lawyers and auditors. Given the commingled nature of the funds, the Liquidators have also applied to the High Court of New Zealand in their capacities as liquidators of Halifax NZ seeking similar judicial advice and directions.

The details of the Funding Agreement and of the claims are confidential and cannot therefore be provided to Investors. The details of the Funding Agreement will remain confidential, but the details of the claims will be made available to Investors once proceedings have been issued.

If any Investor has any questions or concerns regarding the application, please contact the Liquidators at [au-fmhalifax@kpmg.com.au](mailto:au-fmhalifax@kpmg.com.au) by 4pm AEST Friday, 19 August 2022.

The Liquidators' application has been listed in the Federal Court of Australia on Thursday, 25 August 2022 at 10.15am AEST in person at which time any Investors who object to the application may appear. If any investor wishes to appear, they should notify the Liquidators via email at [au-fmhalifax@kpmg.com.au](mailto:au-fmhalifax@kpmg.com.au) by 4pm AEST on Monday, 22 August 2022.

Please continue to monitor your inbox and the KPMG website for future updates.