

**Gippsland Secured Investments Limited (Receivers and Managers Appointed)
ACN 004 860 057 (“GSI”)
Circular to note holders - financial hardship**

4 September 2013

Adam Nikitins and Simon Cathro of EY were appointed as Receivers and Managers (“Receivers”) of GSI by The Trust Company (Nominees) Ltd in its capacity as trustee under a trust deed for first-ranking debenture stock dated 22 December 1995, as amended and supplemented from time-to-time (“the Trustee”) on 3 September 2013.

Prior to the appointment of Receivers on 3 September 2013, GSI adopted a practice of facilitating payments to note holders in circumstances where they experience hardship.

The view of the Receivers of GSI is that it is appropriate and necessary for funds to be accessible by note holders in circumstances of genuine hardship, even in circumstances where payments to note holders continue to be frozen during the conduct of the receivership.

Until further notice, note holders may apply in writing to the Receivers to request a part-distribution of their entitlement under their GSI notes.

A part-distribution may be paid if the Receivers are satisfied that the note holder applying for the part-distribution is experiencing genuine hardship. In deciding whether to make a part-distribution, the Receivers may have reference to the circumstances listed in the table below. The Receivers may ask for written and other evidence of those circumstances before determining whether a payment will be made.

Ultimate discretion whether payments can be made rests with the Receivers, who control the assets of GSI for the benefit of all note holders.

It remains necessary for the Receivers to ensure that there is equal treatment between note holders, including in relation to any distributions by reason of hardship. Accordingly, part-distributions by reason of hardship will be limited as follows:

- ▶ Payments are limited to a maximum payment of 50% of their total balance of GSI notes, or \$5,000, whichever is less; and
- ▶ One payment only can be made in respect of each note holder and their related entities (ie. if a note holder has a number of accounts with GSI, or separate accounts for related entities, one payment only can be made to that note holder in respect of those account).

Relevant circumstances

In determining whether circumstances of hardship exist, and in exercising their discretion of whether to make payments to note holders, the Receivers may have regard to the following circumstances:

Criteria	Relevant circumstances
Severe Financial Hardship	The amount requested is needed to enable the note holder to meet reasonable and immediate living expenses for themselves or their dependents.

Criteria	Relevant circumstances
Compassionate Grounds	<p>The amount requested is needed by the note holder (or a note holder's dependent):</p> <ul style="list-style-type: none"> (a) to help pay for medical costs (and transport costs) required to treat a life-threatening illness or injury, to alleviate acute or chronic pain, or to alleviate an acute or chronic mental disturbance where 2 registered medical practitioners (at least one of whom must be a specialist) have provided certified statements confirming the medical condition to this effect; (b) to fund specific modifications (to a principal place of residence or vehicle) that are necessary to accommodate special needs arising from a severe disability; (c) to assist with funeral and other expenses related to the death of the former note holder or a former dependent of the note holder; (d) to enable the note holder to provide care for a person who is dying from a terminal illness, including home care; (e) to prevent a note holder's mortgagee (lender) from selling the note holder's principal place of residence; (f) to meet a binding financial obligation entered into by a note holder prior to 25 July 2013; or (g) to meet expenses in other cases consistent with grounds mentioned in (a) – (f); <p>where the note holder does not otherwise have the financial capacity to meet the expenses.</p>
Permanent Incapacity	<p>Where a note holder has ceased gainful employment by reasons of mental or physical ill-health and the responsible entity is satisfied that the note holder is unlikely ever again to engage in gainful employment of the type for which the note holder is reasonably qualified by education, training or experience.</p>

Note holders can provide details of their circumstances to the Receivers for their consideration for a hardship payment through any of the following:

- ▶ Write to:

Gippsland Secured Investments Limited
(Receivers and Managers Appointed)
C/- EY
GPO Box 67
Melbourne VIC 3001
- ▶ Email:

GSI@linkmarketservices.com.au

For additional detail regarding this circular, please contact the GSI hotline on **1300 551 378**