

IN THE SUPREME COURT OF VICTORIA AT MELBOURNE
COMMERCIAL AND EQUITY DIVISION
COMMERCIAL COURT

LIST E

SCI 2009 10699

BETWEEN:

**BOSI SECURITY SERVICES LIMITED (ACN 009 413 852) as trustee for
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ACN 005 357 522) and BOS INTERNATIONAL (AUSTRALIA) LIMITED
(ACN 066 601 250) and WESTPAC BANKING CORPORATION
(ACN 007 457 141)**

Plaintiff

and

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ACN 005 357 522) & ORS (according to the attached Schedule)**

Defendants

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 3 March 2010
Filed on behalf of: the Second, Third and Fourth Defendants

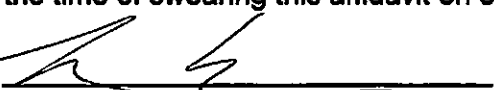
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Lucy Kirwan lkirwan@abl.com.au)

This is the exhibit marked '**MAK-47**' now produced and shown to MARK ANTHONY KORDA at the time of swearing this affidavit on 3 March 2010.

Before me:


LUCY HANNAH KIRWAN
Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne 3000

An Australian Legal Practitioner within the
meaning of the Oath of Office Act 1970

Exhibit 'MAK-47'

**Copy of Minutes of First Meeting of
creditors of TSL**

MINUTES OF FIRST MEETING OF CREDITORS

**Timbercorp Securities Limited
(Administrators Appointed)
("the Company")**

**Held at The Grand Ballroom at The Sofitel Hotel, 25 Collins Street, Melbourne Victoria
on 5 May 2009 at 2.00pm**

Introduction

Mark Korda introduced himself as Chairman and welcomed the creditors to the First Meeting of Creditors of Timbercorp Securities Limited (Administrators Appointed) ("the Company"). He also introduced Leanne Chesser, joint Administrator and Ben Mahoney, legal advisor in relation to the Responsible Entity.

The Chairman advised the meeting had been called pursuant to Section 436B of the Corporations Act, 2001 ("the Act"). The creditors were advised the purpose of the meeting was to determine whether to appoint a committee of creditors and, if so, who that committee ought to be comprised of.

The Chairman commented that creditors present would have an opportunity to ask questions of the Administrators. However it was noted that only creditors of the Company, not observers, would be permitted to ask questions.

Chairman

The Chairman declared the meeting of the Company open at 2.00pm and that pursuant to Regulation 5.6.17(1) of the Corporations Regulations, he would be chairing the meeting.

Time and Place Convenient

The Chairman explained that given the Administrators appointment on 23 April 2009 and the need to determine a time and venue for the meetings by 24 April 2009, this meeting was convened based on information available to the Administrators at that time. Given the circumstances, the Chairman declared that in his opinion and pursuant to Regulation 5.6.14 of the Corporations Regulations, the meeting was convened at a time and place convenient to the majority of creditors of the Company. He then tabled the following documents:

- A copy of the Notice of Meeting of Creditors and Notice of Appointment dated 24 April 2009, sent to all known creditors and posted on both the Timbercorp and KordaMentha websites; and
- A copy of the advertisement of Notice of Meeting of creditors which appeared on 27 April 2009 in The Australian newspaper.

Attendance

The Chairman considered the creditors present, in person, proxy or by power of attorney and enquired whether all those in attendance had signed either the creditors' or observers' register. Both registers are attached to these minutes (Appendix 1). The Chairman stated that given the number of creditors present it was impractical to read the attendance registers and to individually admit or reject proxies received.

The Chairman advised that whilst he had received both proofs of debt and appointment of proxies for voting purposes, it should not be taken as an acceptance or rejection of a claim, rather, he reserved the right to re-examine any documents should a poll be demanded.

Voting Procedures

The Chairman discussed creditors' entitlement to vote and advised creditors that motions were to be resolved by show of hands unless a poll was demanded. He advised the meeting that should a poll be required, he would explain the process.

Quorum

The Chairman advised that pursuant to Regulation 5.6.16(2) of the Corporations Regulations, based on proxies received and persons present at the meeting, a quorum was present.

Prior Involvement of KordaMentha

The Chairman advised KordaMentha had no prior professional relationship with the Company. Involvement prior to the appointment was solely to prepare for the orderly conduct of the Administration. He tabled a revised Declaration of Independence, Relevant Relationships and Indemnities, which did not materially differ from that sent to creditors. He advised this would also be loaded on the Timbercorp and KordaMentha websites.

Meeting of Creditors

The Chairman also confirmed to the meeting that this was a meeting of creditors of the Company and not a scheme meeting.

Administrators' Address

The Chairman provided a brief background on the Timbercorp Group of Companies under Administration (Appendix 2).

The Chairman summarised the work the Administrators had performed.

These tasks included:

- Attending to the statutory obligations containing notifications to:
 - 170 employees
 - 5,000 creditors/suppliers
 - 18,500 growers
 - 700 lessors
 - Australian Securities and Investments Commission
- Suspending key operations
- Commencing review of urgent funding requirements
- Commencing analysis of each project on its own merits

General

The Chairman outlined that the current position of the Company was bleak, with insufficient funds to continue operations. Furthermore he outlined that there are many complex issues ahead for the Company. These include a web of legal documents and ownership interests, as well as multiple managed investment schemes at varying stages of their life cycles.

The Chairman advised that the Company has dual functions, to act as the responsible entity and in its personal capacity. He explained that due to the complexities of the Company's multiple functions and obligations, it was unclear what assets at this time were available to creditors and when they may be realised. He stated that in order to continue operations, the Company will be dependent on funding from multiple sources, and the ongoing provision of corporate head office support from Timbercorp Limited (Administrators Appointed).

The Chairman added that the Administrators needed to look at assets on a scheme by scheme basis to determine the resulting cash flows. He noted that no certainty can be given to any creditors at this initial stage.

Forestry

The Chairman explained that the forestry operations are a seed to port business, and the Administrators were working with management to develop a strategy for the future. He advised that the suspended forestry operations had resumed. He acknowledged that any proceeds from woodchips that belong to growers would be held in Timbercorp Securities Limited (Administrators Appointment) until it was clear where to distribute these proceeds.

Horticulture

The Chairman advised that the horticulture operations had insufficient funds to continue operations. He confirmed the majority of land leases were paid up until 30 June 2009, and that the Timbercorp managing entities have no funds to meet obligations to third party managers. The Chairman concluded that as significant amounts are owed to third party service providers, this has the potential to impact on the ability of some service providers to continue managing the schemes.

Frequently Asked Questions

The Chairman then read a list of frequently asked questions which had been compiled from questions received from grower investors since the start of the administration.

Question 1: What measures are currently being undertaken in respect to the ongoing management and maintenance of the horticulture and forestry projects?

The Chairman advised creditors that this question had been answered in his summary on Forestry and Horticulture.

Question 2: Have the trees in the 2008 Timberlot Project been planted?

The Chairman answered no.

Question 3: Will they be planted?

The Chairman advised that he did not know and the outcome would depend on the possible sale of forestry assets.

Question 4: Are the growers deemed creditors and if so are they secured or unsecured?

The Chairman advised that growers are deemed creditors or contingent creditors of Timbercorp Securities Limited (Administrators Appointed) and that they are unsecured. He added that he did not think there are any secured creditors in Timbercorp Securities Limited (Administrators Appointed).

Question 5: Are there any interested parties looking at taking on the Responsible Entity ("RE") role and if so what are the negotiations and likely timeframes?

The Chairman answered that he was happy to take any proposals. He explained that this was difficult because Timbercorp Securities Limited (Administrators Appointed) had no money and no assets.

Question 6: What happens if we are unable to source a project manager before the next lot of management fees are due in October 2009?

The Chairman advised that the Administrators are working on the second point of their three point plan and will assess projects on a project by project basis, the immediate problem is getting the 2009 crop off but he did not know what would happen to the 2010 crop.

Question 7: Will the ATO product rulings be at risk as a result of the Timbercorp Group of companies going into Voluntary Administration?

The Chairman advised that he did not know but would look into it and put something into the frequently asked questions with appropriate disclaimers.

Question 8: What will happen to those clients who have borrowed through Timbercorp Finance to fund their investments in the projects if the projects are terminated?

The Chairman advised that some projects may be viable and some will not. He explained that some growers borrowed money from Timbercorp Finance, some growers invested cash and some growers borrowed from third party institutions. He added that Timbercorp Finance Pty Ltd (Administrators Appointed) was a separate legal entity and that growers will be required to meet their obligations under the applicable loan documents.

Question 9: Will investors be asked to advance more working capital prior to 2009?

The Chairman advised that this will be looked at on a project by project basis.

Question 10: Is Timbercorp in breach of any of its agreements with its strategic alliance partners?

The Chairman responded by stating that he did not have a legal position on this but his commercial position was yes they probably have because they are not paying them. He advised that the Administrators would look to work with them on a solution.

Question 11: Are the B class bond holders secured?

The Chairman answered yes.

Question 12: Will they be paid out in full by 31 March?

The Chairman advised that he did not know because the Administrators did not know what the realisation strategy was at this point in time.

Question 13: Where do investors stand if there are not sufficient funds available for the projects going forward?

The Chairman advised that the Administrators will through the projects on a project by project basis.

Questions and Answers

The Chairman reiterated that only creditors of the Company were permitted to ask questions.

Andrew Duffy, Land Lessor

If there are no funds to pay leases after 30 June 2009, what is the position of the trees on the land, and what is likely to occur after that date?

The Chairman advised that it is not clear at this stage what happens if there is a default on these payments. He stated that there are a number of interested parties who are interested in some or all of the forestry assets. He commented how the Administrators (in this example) could sell the freehold land, transfer all the leases to the new company, and come to an arrangement to continue operations with the growers. He added that the abovementioned example was one of the available solutions, but he was unsure of the outcome. He stated that the issue is seriously complex, but acknowledged that the Administrators would work through it on a scheme by scheme basis, and if required, have meetings with the growers of each scheme in order to work out the best result for all parties concerned.

Kerree Bezençon, Financial Advisers

There was late, or even no notice of this meeting given to my clients, and all important information was removed from the Timbercorp website.

The Chairman commented on how by law we have to give notification of the meeting within a certain timeframe and our obligations had been complied with. He added that the Timbercorp systems were quite good, and advised that the Administrators have substantially all of the email addresses for both advisors and grower/investors. He advised that as the administration moves forward, the KordaMentha and

Timbercorp websites would be regularly updated. He restated that there are 5,000 creditors, 700 lessors and 18,500 investor/growers, and that the websites and email updates would continue to occur regularly.

Tony Brereton, Grower/Investor

Are the trees mine? When the trees are harvested, will that money come to me or does the secured creditor get first grab at the money?

The Chairman responded that he was unable to give a legal opinion but he understood that the secured creditors are not secured over the growers' trees. He explained that the current issue is, if the landlord does not get paid rent and the land is sold, what happens to the grower? The Chairman advised that this was an issue that the Administrators were currently reviewing.

Rob Mason, Investor Grower

Does KordaMentha have a timeframe in which they believe they will be able to identify which schemes are going to continue and which will not.

The Chairman advised that the Administrators should have an idea of the viability of schemes by the conclusion of May. He then confirmed the more difficult issue was how to restructure the Company to allow it to potentially operate in the future.

Rob Mason, Investor Grower

Is there a chance that someone could come in and purchase the business and buy growers out?

The Chairman responded with an example. He stated that without being too simplistic, a purchaser could offer to buy all of the land, continue the leases, and pay \$100 for a one year old tree, \$200 for a two year old tree and so on. He stated that the Administrators would have to sit down with the growers of each scheme and present any offer to them. He confirmed that the problem arises when the growers choose not to accept the offers, as they want to hold onto their trees and their attached rights.

Harold Maxfield, from Sydney representing portfolio clients.

I understand a lot of the projects have insurance attached to them and I am wondering what happens to those? Are the projects still insured under those policies and are they valid? Do they become void?

The Chairman advised that the horticulture and forestry projects did not have any funds available on appointment. He confirmed that the Administrators had paid the horticultural related insurance for May, however due to the substantial premium funding liability outstanding for forestry related projects, the only forestry assets insured were plant and equipment. He confirmed that growers' trees were not insured against fire at this point in time.

Neil White, Financial advisor from Sydney

The point of the meeting is to appoint a committee of creditors. I am concerned that the banks, because of their \$661 million debt, will get most of the representation on the committee. What steps are being taken to ensure that the individual interest of the growers is represented on the committee. Unless the responsible entity is replaced, my biggest fear is that the committee is made up only of the banks, and that the investor/growers and the land holders will get no representation.

The Chairman began by commenting that the committee of creditors is formed by the people in the room, and not by himself. He detailed that the function of a committee of creditors of a company under administration is to consult with the administrator about matters relating to the administration, and to also receive and consider reports prepared by the administrator. He further added that a committee of creditors that had in dollar number overdue representation from one class was completely irrelevant, because the administrator will ultimately make the decisions. The Chairman stated that the administrators would consult with the committee of creditors, and where difficult decisions are needed to be made they would seek court approval. He acknowledged that all the decision making powers lay solely with the administrators and not with the committee of creditors. He then confirmed the need to have grower/investors and lessors represented on the committee.

Neil White, Financial advisor from Sydney, Second question

The committee reports to you, and you make the decision. There needs to be equal voice and representation on the committee.

The Chairman noted this point.

Frank Murphy Grower Investor

I received notification early April that one of my lots was destroyed by fire and the grand sum of \$5,100 due to me. I am wondering if this amount is sitting in an account or has it gone?

The Chairman advised if the money had been placed in to the custodial account then it would still be there. The Chairman noted that the Administrators would need to look into this issue more closely.

Brian Bourke, Grower/Investor

Please re-address that hopelessly conflicted position whereby with forty entities it is not possible to have forty administrators, when most of the entities have no money. It appears to be unsatisfactory to acknowledge that the value in each of the two entities lies with the projects when there is such clearly conflicted interests being represented by one party, by the one administrator. Perhaps it's possible to have two administrators, not forty two, but certainly there needs to be put in place something that gives the grower/investors the confidence that the value they own in projects will not be attached to the banks, which are not secured by the projects. If past performance is to be a guide for the future we will see significant and substantial, and usually successful, pressure applied to ensure a diversion of value from one interest to the other, now that's not to accuse anybody of anything, simply to say that it is a very complex and difficult conflict to be addressed. It is all very well to say 'go to the courts', but you can't do that on every issue. It's all very well to say that 'the committee of creditors simply advises the administrators to form a view', but we all know that in reality, persuasive and intellectually achieving people will impose their views, and will succeed in expressing views that cause actions to be taken by administrators. This is a fundamental question that needs to be addressed. This conflict lies in different areas being represented by the same people.

The Chairman advised that the Administrators inherited the structure and set up of the Timbercorp Group. He added that if the Administrators can get proposals from alternate Responsible Entities, these will certainly be considered. He stated that the Timbercorp Group is currently funding the Responsible Entity, and this is the position the Administrators currently face.

Chris Sween, Grower Investor

In relation to the \$600 million debt you referred to, I am wondering what type of security was issued over that debt? Did Timbercorp Limited (Administrators Appointed) borrow the money or did Timbercorp Securities Limited (Administrators Appointed) borrow the money?

The Chairman confirmed that Timbercorp Limited (Administrators Appointed) and its related entities borrowed the money. He then clarified that the banks had guarantees from Timbercorp Securities Limited (Administrators Appointed), but do not appear to have security over the company.

Colin Vickers, grower/investor

You and Leanne are appointed over the forestry side and I am losing confidence in what you're saying. You did not know about the insurance issue in regard to forestry. The fact that you did not even know that worries the hell out of me, because if they burn down, we have nothing. I am getting a little bit concerned about the way you are taking the meeting along at the moment. You seem to be saying this is 'this big' and 'this is that complicated', I think you just need to put a few more elephant stamps in the right spots because a lot of people here have a lot of money outstanding and we need to know a little more officially about what's going on. I personally think you should have done a little more homework before you came in today.

Phillip Scandruza, financial advisor and investor/grower

The 1999 and older projects had a lot of success to continue. In the PDS funds have to be allocated in the custodian account or bare trustee for the projects. Are the funds from the 2008 and 2009 projects still sitting in the custodian account, considering trees are not planted?

The Chairman advised that the legal interpretation of the custodian account is currently with the lawyers. He then added that he understood there were only proceeds from the sale of crops sitting in the custodian account, with all the application monies from the 2007 and 2008 Timberlots already being disbursed. He added that whether or not this is in accordance with the schemes will form part of the Administrators ongoing investigations.

Mary Keritarkedies, Grower/Investor

All I have done to date is pay my bills as and when they fall due, my lots have matured, what happens next?

The Chairman answered by stating that this is the question his team was trying to answer. He reiterated that the Administrators will go through the schemes on a project by project basis.

Mary Keritarkedies, Grower/Investor, Second question

Timbercorp told me that they did not have to harvest the lots until June.

The Chairman answered by saying that at the moment, the 1997 and 1998 lots were being harvested, and the proceeds from this harvest were going into the custodial account, and then distributed to the growers.

Peter, Grower/Investor

As a grower/investor, are the trees an asset of the investor, and does the investor have ultimate control over them? Can they be diluted or sold or can they be used as security?

The Chairman responded by acknowledging that to his knowledge the trees were owned by the growers.

Peter, Grower/Investor, second question

Is there a possibility that the proceeds from the sale of trees will be diluted by the banks?

The Chairman advised that to his knowledge the grower owns the trees. He added that the complication is that the tree is attached to the land, and we are still in the process of determining what is to be done with the land.

Len Williams, Grower/Investor

Three parties expressed interest in the forestry assets, how long before you call for tenders, so that we know the price for the forestry assets, bearing in mind that two months ago, according to the press, Timbercorp tried to sell the forestry assets for \$283 million.

The Chairman acknowledged that the Timbercorp Group had been trying to sell its forestry assets for quite some time and that the Administrators will continue to build on that process.

Len Williams, Grower/Investor, second question


The 1997 double rotation projects were bought out by Timbercorp Securities Limited (Administrators Appointed) with titles being transferred to Timbercorp, can the growers pay out their loans to free up encumbrances making it easier to sell the land? Is it your intention to follow this same process?

The Chairman advised this may be possible.

Closure of Meeting

As there was no further business, the Chairman declared the meeting closed at 4:45pm.

Signed as a true and correct record.



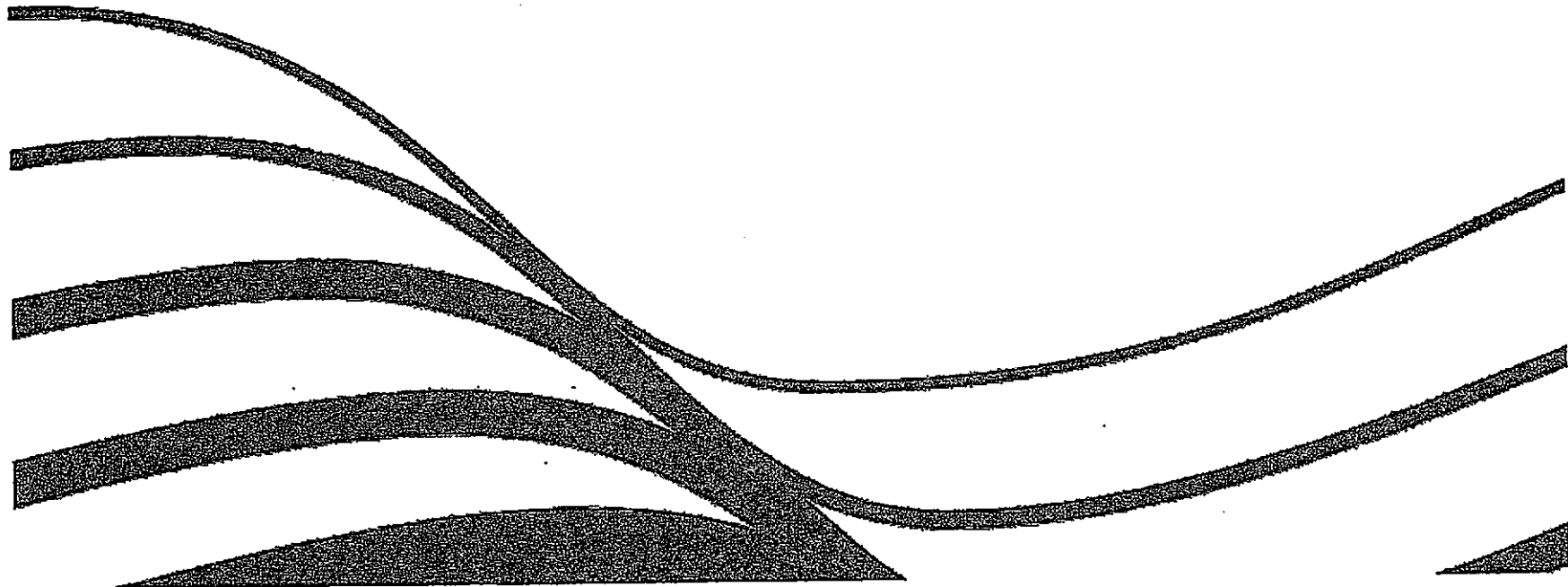
MARK KORDA
Chairman



KordaMentha

Timbercorp Securities Limited

Administrators Appointed



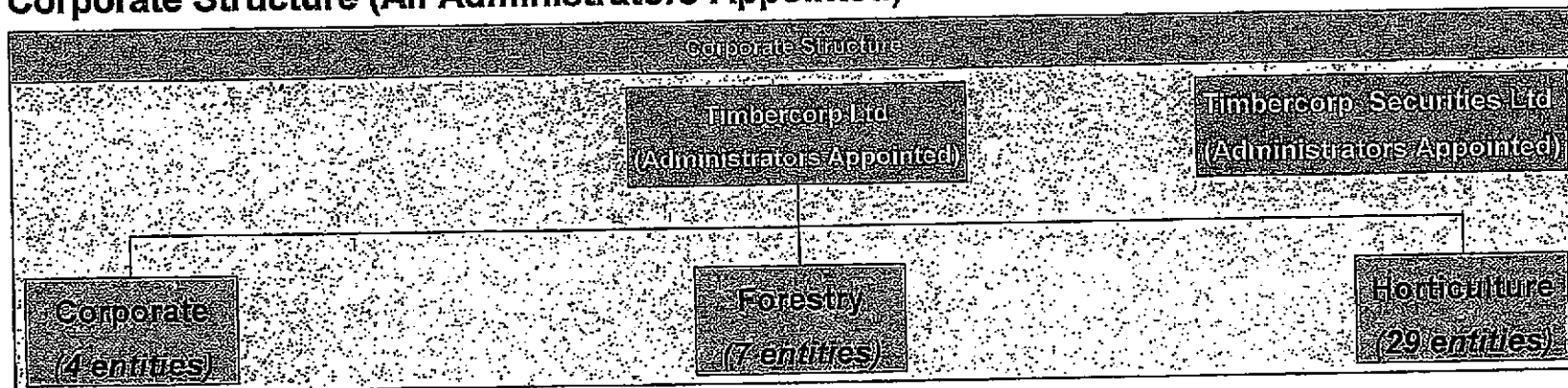
Agenda

1. Welcome
2. Commencement of formal meeting and procedural matters
3. Administrators' address
4. Questions
5. Appointment of committee of creditors
6. Close meeting

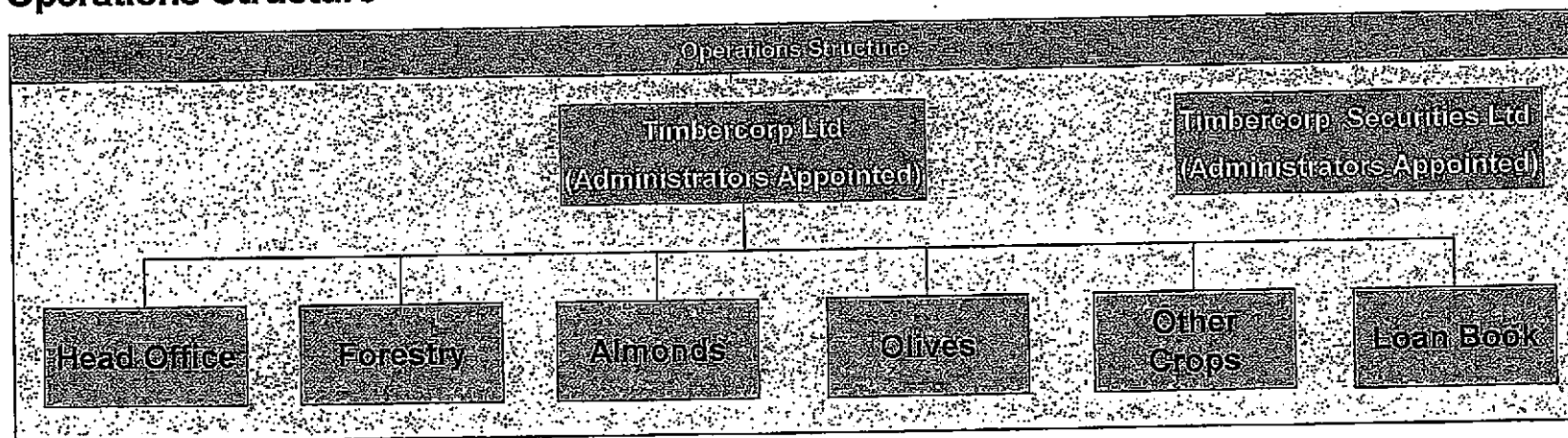


Timbercorp Group Structure

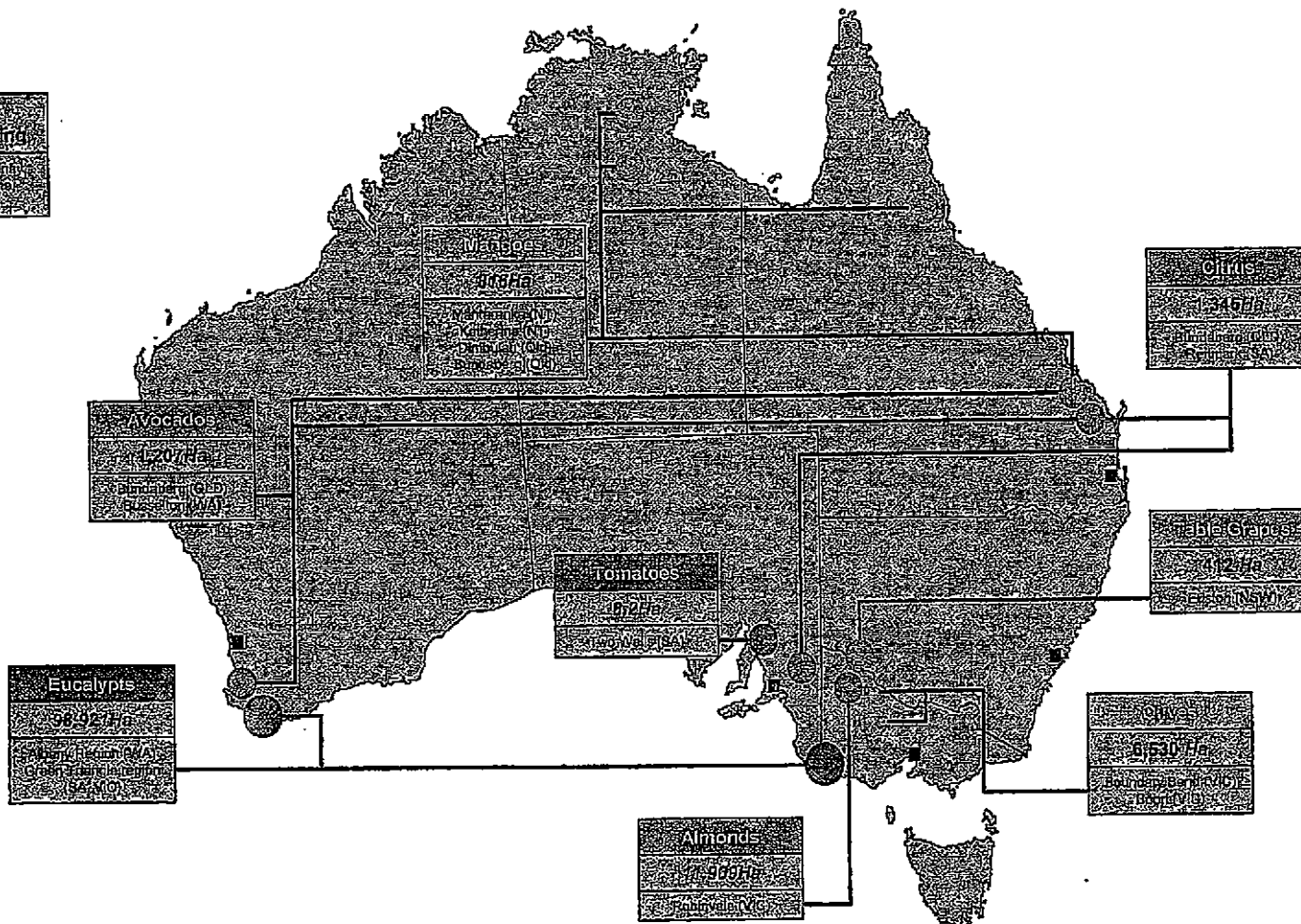
Corporate Structure (All Administrators Appointed)



Operations Structure



Timbercorp Forestry and Horticultural Assets



Voluntary Administration

The Point Plan

1. Immediate suspension of forestry and horticulture operations whilst funding options are determined.
 - Forestry
 - Horticulture – Olives, Almonds, Other
 - Loan Book
2. Develop a strategy for each forestry and horticulture product, project by project, then execute.
3. Attend to statutory reporting, investigation, creditor and shareholder liaison.

Voluntary Administration

Group Financial Position

Group Financial Position

■ Employee entitlements	\$5M
■ Secured Lenders	\$661M
■ Unsecured creditors	\$14M
■ Other loans/related party debt notes, etc.	\$250M
■ Contingent creditors	
— Lessors	\$unknown
— Growers	\$unknown
■ Assets	TBA
— Land (owned and leased)	120,000 ha
— Water rights (owned and long term leases)	153,000 ML
— Loans	\$478M
— Plant and equipment	TBA
■ Grower investors have invested	\$2billion

Timber Corp Securities Limited (Administrative Appointed)

Complexities and Issues Ahead

- TIM is the public listed holding company of TSL
- TSL acts as the Responsible entity of multiple schemes
- TSL also acts in its personal capacity
- TSL has insufficient funds to continue operations

Multiple functions and obligations

Responsible Entity	Personal Capacity
Statutory obligations (Managed Investment Scheme legislation)	Statutory obligations (Corporations Act)
Duty to growers	Duty to creditors
	External lessee of land, financial obligations
	Encumbered assets
	Management of forestry schemes
	External management of horticultural schemes
	Lessors to growers

Timbercorp Securities Limited (Administrators Appointed)

Questions?



KordaMentha

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Voluntary Administration

Three Point Plan

1. Immediate suspension of forestry and horticulture operations whilst funding options are determined.
2. Develop a strategy for each forestry and horticulture product, project by project, then execute.
3. Attend to statutory reporting, investigation, creditor and shareholder liaison.



Resolution

Committee of Creditors

Company	Proposed Nominees
Timbercorp Securities Limited (Administrators Appointed)	BOSI ANZ Westpac CBA Trust Company Unsecured creditor representatives Grower representatives Lessor representatives



KordaMentha

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