

7 February 2017

Invitation to Timbercorp Finance borrowers

As we start 2017, we at KordaMentha are keen to work with you to resolve outstanding matters.

It has been seven years since the beginning of the dispute between Timbercorp Finance and its borrowers and guarantors. So far, we have resolved 6,500 of the 7,500 cases. Unfortunately, some legal disputes have continued, and individuals' costs are continuing to rise.

Our obligation as Liquidators is to recover monies we consider are owing to Timbercorp Finance.

In December last year, the Supreme Court handed down a decision in relation to five borrowers who had taken the matter to trial, finding that each was liable to pay the amount owing on their loans together with interest at the higher rate. The Court also found that all five borrowers' defences should be dismissed. We are aware that about 600 or so further borrowers wish to run the same defences.

As we commence the New Year, we are committed to negotiating individually with all borrowers to settle the matter to our mutual satisfaction.

We are keen to talk to you as soon as possible to resolve your individual case.

We will not negotiate with you through action groups, group mediations or group settlement processes. However, you are encouraged to bring someone with you to support you if that would assist in any way.

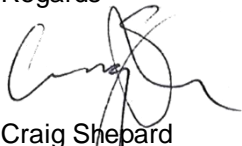
Please contact us on settlements@timbercorp.com.au or 03 8615 1200 for a genuine discussion about your circumstances.

It may be that you are experiencing financial difficulties or have other issues that could impact on your ability to settle with us. We have a Borrower Assist program that is designed to work with our borrowers and which takes these issues into consideration.

Further, if you feel you are in hardship and do not wish to negotiate directly with Timbercorp Finance, the Independent Hardship Advocate, Stephen Blythe, can assist. Please refer to www.kordamentha.com for more information.

I wish you all the best for 2017 and want to personally reiterate my commitment to working with you to finalise matters with you.

Regards



Craig Shepard
Liquidator