

29 November 2018

To Creditors

Dear Sir/Madam

Halifax New Zealand Limited (Administrators Appointed) (the Company)
Company Number 2130897
NZBN 9429032748079

Phil Quinlan, Stewart McCallum and I were appointed Administrators of the Company on 27 November 2018 pursuant to Section 239I of the Companies Act 1993 (**the Act**).

The Administrators have taken control of the operations of the Company and have commenced an urgent assessment of the Company's financial position, including a full identification and reconciliation of client entitlements.

The purpose of this letter is to provide you with information about the administration of the Company and your rights as a creditor, and contains the following sections:

- 1 First meeting of creditors
- 2 Client accounts
- 3 Trading
- 4 Legal proceedings
- 5 Employees
- 6 Report to creditors and second meeting of creditors – the “watershed” meeting
- 7 Replacing the Administrators
- 8 Personal property security interests
- 9 Further information

Attachments to this letter are described in the table below:

Annexure	Document	Description
A	Notice of first meeting of creditors	– Refer to section 1 of this letter
B	Informal proof of debt or claim form	– Refer to section 1 of this letter
C	Appointment of proxy	– Refer to section 1 of this letter
D	Nomination Form – Creditors' Committee	– Refer to section 1.2 of this letter

1 First meeting of creditors

We are required to call a first meeting of creditors within eight working days of our appointment pursuant to Section 239AN of the Act. The purpose of this meeting is to provide creditors with an opportunity to:

- Appoint a creditors' committee; and
- Decide whether to replace the Administrators.

The notice of meeting is attached as **Annexure A**. Details of the meeting are as follows:

Date: Friday 7 December 2018
Time: 10:30 am (registration from 9:30 am)
Location: Crowne Plaza Ballroom, 128 Albert Street, Auckland, 1010

For the purposes of the meeting, please find attached an informal proof of debt form (**Annexure B**) and proxy form (**Annexure C**).

1.1 Attendance in person

Creditors who wish to attend and / or vote at the meeting are required to lodge the proof of debt and/or proxy with Link Market Services before the meeting and, in any event, no later than **11.00am (NZDT) on Thursday 6 December 2018**. The proof of debt and/or proxy forms should be sent by email to halifaxnz@linkmarketservices.com.au.

A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Administrators before the meeting see **Annexure B**. All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien over goods in their possession which are the property of the Company.

All clients will receive a proof of debt for each of their login IDs. Please complete each proof of debt having regard to the correct login ID. Should you have any questions in relation to the completion of your proof of debt please contact Link Market Services on 1300 910 051 (within Australia), 0800 729 276 (within New Zealand) +61 1300 910 051 (from overseas) or halifaxnz@linkmarketservices.com.au not later than **11.00am (NZDT) on Thursday 6 December 2018**.

1.2 Creditors' Committee

A creditors' committee is a small working group of creditors appointed to assist the Administrators. Section 239AQ of the Act imposes certain limitations on the ability of members of a creditors' committee.

Those creditors wishing to nominate a member for appointment to a creditors committee (if one is appointed) must complete the attached Nomination Form – Creditors Committee (**Annexure D**) and return it to Ferrier Hodgson no later than **11.00am (NZDT) on Thursday 6 December 2018** by email to HalifaxCOI@fh.com.au.

2 Client accounts

All clients' accounts have been switched to 'Close Only' mode – i.e. it is not possible to enter into new positions, nor is it possible to withdraw money from client accounts, however it is possible to close out current positions.

The Administrators have commenced a full identification and reconciliation of client entitlements.

We will write to all clients to advise of their position with the Company as soon as we are able to do so. It may take time for the Administrators to conduct this reconciliation, given the Company's large number of clients.

3 Trading

3.1 Status of trading

Please note that the Administrators do not accept liability for the supply of any goods and services from the date of appointment without an approved purchase order.

You may be aware that payment of unsecured creditors' accounts as at 27 November 2018 is postponed pending the outcome of a second meeting of creditors (see section 7 below).

3.2 Contracts / agreements

The Administrators expressly refrain from personally adopting any of the Company's contracts existing at the date of their appointment. All contracts are currently under review. To the maximum extent permitted by law, the Administrators do not accept any liability under, and expressly do not adopt, any contract of the Company existing at the date of their appointment. The Administrators will advise the status of contracts as soon as practicable.

3.3 Property used but not owned by the Company

In accordance with Section 239ADI of the Act, the Administrators' liability under hire purchase or lease agreements does not commence until seven days after the Administrators' appointment. Further, pursuant to Section 239ABD of the Act, the lessor or owner of property in the Company's control is not entitled to take possession of such property without leave of the Court or the Administrators' written consent.

We will write separately to known lease and hire purchase creditors regarding such assets. Please contact this office if you do not receive our letter.

4 Legal proceedings

During the administration of the Company, you cannot commence or continue a proceeding against the Company or in relation to its property without the Administrators' written consent or the permission of the Court, and in accordance with the terms that the Court imposes.

5 Employees

We have written separately to employees regarding the appointment of the Administrators.

6 Report to creditors and second meeting of creditors (known as the "watershed" meeting)

The Administrators will prepare a report to creditors under Section 239AU of the Act which will include details on the Company's business, property, affairs and financial circumstances.

A second meeting of creditors (known as the "watershed" meeting) is held within twenty-five (25) working days of the appointment of Administrators. It is at this meeting that creditors will consider the Administrators' report and consider resolutions regarding the Company's future.

At the "watershed" meeting, creditors are asked to vote for one of three outcomes:

- That the Company execute a Deed of Company Arrangement ("DOCA"), which would govern the future conduct of the Company; or
- That the Company be placed into liquidation; or
- That the administration of the Company should end, and control of the Company be returned to the Directors.

To be adopted, the DOCA must receive support from more than 50% of a Company's creditors by number, and more than 75% of its creditors by value.

7 Replacing the Administrators

At the first creditors meeting, the creditors can pass a resolution to replace the Administrators.

A resolution is adopted if a majority in number representing 75% in value of the creditors or class of creditors voting in person, or by proxy vote, vote in favour of the resolution.

The creditors may not remove the Administrators by a resolution passed at a creditors' meeting unless the same resolution also appoints as administrator another person who is not disqualified, and the person named in the resolution as the new administrator has, before the resolution is considered, tabled at the meeting:

- A signed, written consent to act as administrator; and
- An interests statement.

8 Personal property security interests and retention of title claims

If you are claiming title to any goods delivered to the Company pursuant to a contract or the Personal Properties Securities Act or any lien over goods in your possession that are the property of the Company ("**Security Interest**") details of your claim should be forwarded to the contacts listed below, as soon as possible.

We ask that any creditor who claims a Security Interest over good supplied to, or assets of, the Company prior to voluntary administration contact a member of the Administrators' staff as soon as possible. We can then arrange a mutually convenient time to meet at the Company's premises to inspect those good or assets. Similarly, we ask that creditors claiming a Security Interest please provide copies of your security agreement together with full details of outstanding invoices. Please note that suppliers are only invited to identify good or assets to which they claim a Security Interest.

Pursuant to Section 239ABD of the Act, with the exception of perishable goods, those creditors seeking to enforce a Security Interest over goods provided to the Company prior to the appointment of Administrators on 27 November 2018 are precluded from recovering the goods for the period of the voluntary administration without obtaining the written consent of the Administrators or alternatively, leave of the Court.

The contact details are 1300 910 051 (within Australia), 0800 729 276 (within New Zealand), +61 1300 910 051 (from overseas) or halifaxnz@linkmarketservices.com.au.

9 Administrators' remuneration

Under s 239O of the Act, the Administrators are allowed to charge a reasonable remuneration for carrying out their duties and exercising their powers as Administrators.

For the purposes of the Company's administration, the Administrators' remuneration will be fixed on the basis of time spent by the Administrators and the Administrators' staff of an appropriate level having regard to the nature and complexity of the work and calculated by reference to hourly rates.

The Court may, on the application of the Administrators, a director or officer of the Company, a creditor or a shareholder, review or fix the Administrators' remuneration at a level that is reasonable in the circumstances.

10 Further information

Questions regarding the administration should be directed to Link Market Services on 1300 910 051 (within Australia), 0800 729 276 (within New Zealand), +61 1300 910 051 (from overseas) or halifaxnz@linkmarketservices.com.au.

Yours faithfully

Halifax New Zealand Limited (Administrators Appointed)



Morgan Kelly
Administrator

Encl.

Annexure A

Notice of first meeting of creditors of company in voluntary administration

Halifax New Zealand Limited (Administrators Appointed) (the Company)

Company Number 213 0897

NZBN 9429032748079

1. On 27 November 2018 the Company, under Section 239I of the Companies Act 1993, appointed Morgan Kelly, Phil Quinlan and Stewart McCallum of the firm Ferrier Hodgson, Level 25, One International Towers, 100 Barangaroo Avenue, Sydney NSW 2000, Australia, as joint and several voluntary administrators of the Company.
2. The first meeting of creditors of the Company will be held on Friday, 7 December 2018 at the Crowne Plaza Ballroom, 128 Albert Street, Auckland, 1010. Registration for all creditors and employees will open at 9:30 am with the meeting commencing at 10:30 am.
3. The purpose of the meeting is to determine:
 - a. whether to appoint a Committee of Creditors; and
 - b. if so, who are to be the Committee's members
4. At the meeting, creditors may also, by resolution:
 - a. remove the Administrators from office; and
 - b. appoint someone else as Administrator(s) of the Company.

Creditors who wish to attend and / or vote at the meeting are required to lodge the proof of debt and/or proxy with Link Market Services before the meeting and, in any event, no later than **11.00am (NZDT) on Thursday 6 December 2018**. The proof of debt and/or proxy forms should be sent by email to halifaxnz@linkmarketservices.com.au.

Dated this 29th day of November 2018



Morgan Kelly
Administrator

c/- Link Market Services

Tel: 0800 729 276

Email: halifaxnz@linkmarketservices.com.au

Annexure B

Informal Proof of Debt or Claim Form

Informal Proof of Debt or Claim Form for each User ID will be circulated to you by Link Market Services

Annexure C

Appointment of Proxy

Appointment of Proxy form for each User ID will be circulated to you by Link Market Services

Nomination Form – Creditors’ Committee

Return no later than:
11.00am (NZDT) on Thursday 6 December
2018 to Ferrier Hodgson
Email: HalifaxCOI@fh.com.au

Indebted Company: Halifax New Zealand Limited (Administrators Appointed) CN 213 0897
Date of Appointment: 27/11/2018

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

1

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of Company, etc)

2 Of

(address)

3 Tel:

4 Email:

B. Nomination of Person as Member of Creditors’ Committee, if one is appointed

I/We, as named in Section A above, nominate

1

(name of person nominated as member of Creditors’ Committee, if one is appointed)

2

(address of person nominated as member of Creditors’ Committee, if one is appointed)

3

(email address of person nominated as member of Creditors’ Committee, if one is appointed)

C. Declaration in relation to Transactions with the Indebted Company

During the external administration, I/We, as named in Section A above, contemplate entering into the following transactions with the Indebted Company during the external administration¹:

continuance of service and/or supply agreements as detailed below:

.....
.....

potential acquisition of the business and/or assets of the Indebted Company

other – please provide details below:

.....

Signature

.....

¹ Dated:

² Signature:

³ Name / Capacity:

.....

Creditor Assistance Sheet: Completing a Creditors' Committee - Nomination Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or Company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or Company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or Company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or Company that the debt is owed to.

Section B – Nomination of Person as Member of Creditors' Committee, if one is appointed

1. Insert the name of the person who is being nominated by the creditor as the member of the Creditors' Committee.
2. Insert the address of the person nominated at (1).
3. Insert the email address of the person nominated at (1).

Section C – Declaration in relation to Transactions with the Indebted Company

1. Indicate the type of transactions contemplated between the person/entity named in Section A and the Indebted Company during the course of the external administration.

Section D – Signature Instructions

1. Insert the date that the nomination form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a Company, then a duly authorised officer of the Company (normally a director or secretary of the Company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: "[Full name], proprietor"; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: "[Full name], partner of the firm named in Section A above"; or
 - If the debt is owed to a Company, note their capacity as director or secretary, eg: "[Full name], director/secretary of the Company named in Section A above"]