

Dear SCF Preference Share Investor

The Action Group Committee (myself and Michael Connor) would like to thank you for your ongoing patience. We are well aware that the investigation the committee initiated in mid-2015 has been a much longer exercise than anyone imagined.

Our legal team is currently liaising with a potential litigation funder to fund an action. We need to obtain additional information that will enable the litigation funder to make its final decision, probably in October 2016.

That additional information includes specific data we need directly from you, including whether you were using an NZX broker/financial advisor/financial planner when you purchased your SCF perpetual preference shares.

You will shortly receive a simple questionnaire that will enable us to easily gather this information. We would appreciate it if this could be returned to us as soon as it possible.

Due to the length of the investigation the costs have been more than we had originally anticipated. There is currently a shortfall of investor contributions to cover these costs and I have covered this shortfall myself. If it becomes clear that no funding for a claim is available, I will accept that additional cost is mine to bear and I will write to you with details of the exact sums raised, and how it has been spent to date.

If funding for a claim is available and the action goes ahead we will discuss how to bridge the shortfall with investors at meetings to be held in the main centres around the country.

The committee members have not received any moneys from the amounts raised other than those costs that are for reimbursement of out-of-pocket expenses (mainly travel, meeting and administrative costs).

Providing we have a final answer on funding I intend to tour New Zealand in October 2016 to provide in person an update on the case.

We regret the delays but the Action Group Committee is doing everything it can to reach the final stage, that being the approach to a funder, with a comprehensive, legally prepared case for funding.

Yours Faithfully

Chris Lee AFA

Michael Connor B Com, CA, AFA

SCF Litigation Action Group Committee