

**NOTICE IN RESPECT OF CLAIMS AGAINST THE SECURITIES EXCHANGES GUARANTEE CORPORATION (“SEGC”) IN RELATION TO BBY LIMITED (IN LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED) (“BBY”)**  
**EXTENSIONS FOR LODGEMENT OF CLAIMS**  
**Property Entrusted Claims - Regulation 7.5.64**

We refer to the notice dated 11 March 2016 entitled “Notice Calling For Claims Against The Securities Exchanges Guarantee Corporation” (in the form of Form 720) (**11 March Notice**), which was published in The Australian on 11 March 2016 and on KPMG’s website for BBY.

In the 11 March Notice, SEGC advised that any client or former client of BBY wishing to make a “property entrusted claim” under Regulation 7.5.64 of the Corporations Regulations 2001 (Cth) (Regulations) should do so on or before 11 June 2016. Under Regulation 7.5.64, subject to certain other requirements of the Regulations being met, a claim may be made in respect of property that was entrusted to or received by a dealer (such as BBY), in the course of, or in connection with, the dealer’s business of dealing in securities.

Since publication of the 11 March Notice, it has become apparent that the proceedings commenced by the liquidators of BBY in the Supreme Court of New South Wales will not be resolved by, or shortly after, 11 June 2016. Further, SEGC has been informed that a number of BBY clients who might have claims against SEGC under Regulation 7.5.64 are, for proper reasons, not in a position to lodge these claims prior to 11 June 2016.

In those circumstances, SEGC has determined to continue to accept lodgement of “property entrusted claims”:

- **after 11 June 2016**; and
- until such time (**Future Bar Date**) as fixed by a further notice (in the form of Form 720) which SEGC will publish in due course.

SEGC will give sufficient prior notice of the Future Bar Date. It is recommended that clients and former clients of BBY regularly check SEGC’s and KPMG websites for updates in relation to the Future Bar Date.

**Contract Guarantee Claims - Regulations 7.5.24 to 7.5.27**

Separately, clients and former clients of BBY wishing to make a “contract guarantee claim” under Regulations 7.5.24, 7.5.25, 7.5.26 and/or 7.5.27 of the Regulations in respect of a sale or purchase of securities through BBY, where:

- the transaction did not settle; or
- BBY failed to discharge its obligations in respect of the transaction insofar as they relate to the consideration for the sale or purchase,

are advised to lodge their claim against the National Guarantee Fund with SEGC at the following address:

*Securities Exchanges Guarantee Corporation  
20 Bridge Street, Sydney, NSW, 2000.*

Pursuant to sub-regulation 7.5.30(3) of the Regulations, a “contract guarantee claim” must be made in writing and served on SEGC within six months after the day on which the claimant became entitled to make the claim. For most clients or former clients of BBY, that six month lodgement period would likely have expired. However, in the circumstances, the Board of SEGC is open to considering any “contract guarantee claim” received by it **on or before 31 July 2016**.

“Contract guarantee claims” not made on or before that date will be barred unless the Board of SEGC otherwise determines.

**Difference between Contract Guarantee Claim and Property Entrusted Claim**

The key difference between a “contract guarantee claim” and a “property entrusted claim” is that:

- a “contract guarantee claim” is concerned with failure on the part of BBY to discharge its obligations to a client in respect of a sale or a purchase of securities, insofar as those obligations relate to the consideration for the sale or the purchase;
- a “property entrusted claim” is concerned with failure on the part of BBY to discharge its obligations to a client in respect of property that was entrusted to or received by BBY on behalf of or as trustee for the client, and in the course of or in connection with BBY’s securities business.

In the context of BBY’s insolvency, SEGC is restricted by law to paying out a maximum amount of \$11.4 million in relation to all “property entrusted claims” relating to BBY. If the total amount of such claims exceeds this amount, then SEGC must pro-rate all allowable claims. That statutory cap does not apply to “contract guarantee claims”.

Where a BBY client is entitled to make a “contract guarantee claim”, it is precluded from making a “property entrusted claim” in respect of the same loss.