



Australian  
Executor Trustees

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16 October 2012

Dear Investor,

**Provident Capital Limited**

Australian Executor Trustees Limited (the "Trustee") has received a number of letters and emails (each substantially in the form of the attached) referring to a proposal from the directors of Provident Capital Limited for a Deed of Company Arrangement.

The Trustee has considered the director's proposal and is of the view that it is not in the best interests of debenture holders as a whole. Proper investigations into possible misconduct by Provident and its management is required and the outcome of those investigations should be put to debenture holders so that they have all the relevant facts before voting on any proposal.

Please also note that there are a number of necessary pre-conditions to the proposal, including that the proposal:

1. is approved by the Federal Court of Australia; and
2. is supported, recommended or approved by the following stakeholders: the administrators and receivers of Provident, the Australian Securities and Investments Commission and Bendigo and Adelaide Bank as the other secured creditor.

None of these necessary pre-conditions have been satisfied. The administrators, McGrath Nicol, do not recommend the Deed of Company Arrangement and instead recommend that Provident Capital be placed into liquidation.

The Trustee intends to preserve the status quo by voting in accordance with that recommendation. If the directors wish to continue to develop their proposal they will not be precluded from doing so whilst the company is in liquidation.

The rights of debenture holders will not be affected by Provident going into liquidation. The receivers, PPB Advisory, will continue to collect Provident's assets and will be accounting to debenture holders in due course.

If you have any questions, please contact us, visit the website of the receivers: <http://www.ppbadvisory.com/creditor-information/v/284/provident-capital-limited> or call the investor hotline on (02) 8280 7110.

Yours sincerely,



Philip Joseph  
CEO Corporate Trust  
(02) 9028 1051



Part of the IOOF group

[REDACTED]  
[REDACTED]  
[REDACTED]

9 October 2012

Philip Joseph  
CEO Corporate Trust  
Australian Executor Trustees Limited  
Locked Bag 4010  
Queen Victoria Building  
Sydney NSW 1230

By email: philip.joseph@aetlimited.com.au

**Provident Capital Limited**

I am a debenture holder in Provident Capital.

I understand that the directors of the company are preparing a proposal for the debenture program, as an alternative to the current receivership of the company. When the directors have finalised their proposal, I assume you will be convening a debenture holders meeting to enable the debenture holders to give consideration to that proposal and give you directions about it. If this is not the case, please let me know.

In these circumstances I request that you, the receivers and the administrators maintain the current status quo of the company and its assets until the debenture holders can consider the directors proposal.

Yours faithfully

[REDACTED]

[REDACTED]

Client Number:

Debenture Amounts:

[REDACTED]