

CIRCULAR: TO ALL MEMBERS

NO: 78/00

DEMUTUALISATION PROPOSAL

The purpose of this Circular is to update Members on the timetable towards demutualisation.

Today (18 April), the Board of SFE approved the Information Memorandum (IM) in relation to the proposal to demutualise. This approval confirms the Board's unanimous support for the proposal and completes another step forward in the demutualisation process.

The IM will now be sent to ASIC for review and then to the Supreme Court. Once the Court has reviewed the legal aspects of the demutualisation proposal, the IM will be finalised and sent to Members. We are hopeful that this will take place by the end of May.

Member meetings to vote on the proposal will then follow. If Members vote in favour, there will be a second review by the Supreme Court before demutualisation can be effected.

The Board is aiming for demutualisation to take place in August, if all approvals are forthcoming. However, the timetable may be subject to delays.

I will next update Members as to the current status of the demutualisation timetable once the progress of the regulatory reviews is known.

RICK HOLLIDAY-SMITH
CHAIRMAN

18 APRIL 2000