



Initial Remuneration Notice

Macro Group of Companies (“the Group”)

Refer to enclosed schedule for details of the companies to which we have been appointed as Liquidators

The purpose of the Initial Remuneration Notice is to provide you with information about how we propose our remuneration for undertaking the liquidation will be set.

1 Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

1.1 *Time based / hourly rates*

This is the most common method. The total fee charged is calculated by reference to the hourly or time unit rate charged for each person who carries out work multiplied by the number of hours spent by each person on necessary work properly performed

1.2 *Fixed Fee*

The total fee charged is normally quoted at the commencement of the liquidation and is the total cost for the liquidation. Sometimes, a practitioner will finalise the liquidation for a fixed fee.

1.3 *Percentage*

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of asset realisations

1.4 *Contingency*

The insolvency practitioner’s fee is contingent on achieving a particular outcome.

1.5 *Method chosen*

Given the nature of this administration we propose that our remuneration be calculated using the time based method. Time based remuneration is appropriate in this liquidation given:

- It ensures actual time is billed at an hourly rate applicable to staff experience;
- It ensures that remuneration claimed is only for necessary work properly performed in the liquidation; and
- It covers tasks required to be undertaken in the liquidation which not only relate to asset realisations but also to reporting requirements and other tasks of an administrative or statutory nature.

Further, due to the number of entities within the broader Macro Group and common work streams, time charged will be pooled for entities of a similar class (ie SPV’s), and allocated against each entity using an appropriate methodology if required. Full details of our actual fees, and allocations against entities will be provided to creditors in due course.

2 Explanation of hourly rates

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates below are exclusive of *Goods and Services Tax*, and are charged to encompass the total cost of providing professional services and should not be compared to an hourly wage.

KPMG Restructuring Services Guide to Hourly Rates		
Title	Description	Hourly Rate
Appointee / Partner	Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.	\$550
Director	Minimum of twelve years insolvency experience, at least five years at manager level, qualified accountant and capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in his/her own right.	\$475
Associate Director	More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.	\$450
Manager	6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.	\$400
Executive	2-5 years. Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.	\$325
Analyst	0-2 years. Completed an undergraduate degree. Post graduate qualification (or equivalent) will be commenced in this period. Assists senior staff members on aspects of the administration and completes administrative and statutory tasks independently.	\$200
Team Administrator	Appropriately experienced and undertakes support activities.	\$150

3 Estimated remuneration

Due to the complexities of this matter, we are not able to provide a realistic estimate of our potential remuneration for the liquidations at this stage. In summary, the Macro Group involves:

- 78 Liquidation appointments;
- 274 property holdings;
- More than 250 group companies
- More than 1,800 investors;
- More than 800 security interests registered on the PPSR;
- Ongoing investigations being undertaken by the Australian Securities and Investments Commission and other government (local and international) agencies;
- Concurrent insolvency appointments

As the liquidations progress, and we have a clearer view of the strategy, and extent of matters to be dealt with, we will update creditors with regard to our estimate of remuneration.

4 Disbursements

Disbursements are divided into three types:

- Externally provided professional services – these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees – these are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged on a reasonable commercial basis.



Any staff kilometre reimbursements will be charged at the ATO's statutory car fringe benefit rates.

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve my internal disbursements where there is a profit or advantage prior to these disbursements being paid from the administration.

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Queries

Please direct all queries to Veronica Del Borrello on vdelborrello@kpmg.com.au or (08) 9263 4810.

Dated: 12 September 2017

Hayden White
Liquidator



Macro Group of Companies

Schedule of companies to which we have been appointed as Liquidators

#	Company Name	ACN
1	Macro Realty Developments Pty Ltd	159 678 930
2	Macro Realty Pty Ltd	143 381 060
3	Macro All State Investments & Securities Ltd	168 713 719
4	Macro Realty Developments AFSL Pty Ltd	160 620 502
5	511 GTN Pty Ltd	152 534 695
6	Pilbara Property Developments Pty Ltd	162 445 187
7	Edkinway Pty Ltd	605 936 838
8	59 Kurra at Newman Pty Ltd	601 622 673
9	Mactrader WA Pty Ltd	609 165 522
10	New hale Pty Ltd	606 027 258
11	Andrawartha Pty Ltd	607 135 624
12	Bingley GV Pty Ltd	607 117 733
13	Black Honeyeater Pty Ltd	601 622 691
14	Brahminy Kite Pty Ltd	601 622 726
15	Cecic Holdings Pty Ltd	608 032 613
16	Crimson Chat Pty Ltd	601 622 655
17	East Pilbara Holdings Pty Ltd	601 622 664
18	Edheavy Pty Ltd	605 936 865
19	Fortescue Falls Pty Ltd	601 622 646
20	Jaflaf Pty Ltd	601 622 717
21	L Bryden Pty Ltd	607 135 517
22	LFCF Holdings Pty Ltd	601 623 107
23	Macfire WA Pty Ltd	609 165 497
24	Maclog Pty Ltd	605 929 208
25	Macro Capital Enterprises Pty Ltd	162 445 178
26	Macstar WA Pty Ltd	609 165 513
27	Macripp WA Pty Ltd	609 165 531
28	Mcfly WA Pty Ltd	609 165 540
29	Neway Enterprises Pty Ltd	606 027 285
30	Newiron Pty Ltd	606 027 249
31	Newman 57K Pty Ltd	601 623 198
32	Newminds Enterprises Pty Ltd	609 165 577
33	Newsky Enterprises Pty Ltd	606 027 294
34	Northern Quoll Pty Ltd	601 623 134
35	One Powerball Pty Ltd	601 623 170
36	Palecka WA Pty Ltd	607 117 644
37	Placebest Pty Ltd	605 929 182
38	Placeright Pty Ltd	605 545 426
39	Porttri Pty Ltd	605 936 874



#	Company Name	ACN
40	Reddirt Enterprises Pty Ltd	609 165 586
41	Sturts Pea Pilbara Pty Ltd	601 623 081
42	Sweet Boronia Pty Ltd	601 623 189
43	Takenway Pty Ltd	605 545 417
44	Teale WA Pty Ltd	607 118 007
45	Twistjac Pty Ltd	607 118 016
46	Veneman Pty Ltd	607 135 535
47	WA Pilbara Property Options Pty Ltd	601 623 205
48	WAH Holdings WA Pty Ltd	607 118 061
49	73KAN Pty Ltd	601 622 708
50	Endeavour Holdings Group Pty Ltd	136 024 827
51	Newmine Pty Ltd	606 027 267
52	Peregrine Falcon Pty Ltd	601 623 152
53	Python Pool Pty Ltd	601 623 161
54	Spinifex Mallee Pty Ltd	601 623 125
55	WA Land Investments Pty Ltd	601 623 090
56	Diep WA Pty Ltd	607 538 849
57	Fifo Fix Pty Ltd	601 622 682
58	Grasswren Pty Ltd	601 622 637
59	Hendry Estate Pty Ltd	608 032 604
60	Marchibold Pty Ltd	607 118 089
61	AGKM Green Pty Ltd	607 117 706
62	Aiple Enterprises Pty Ltd	607 117 724
63	BA Sullivan Pty Ltd	607 135 286
64	Brayst WA Pty Ltd	609 165 479
65	Chippere Pty Ltd	607 117 662
66	Christians Holdings WA Pty Ltd	607 135 302
67	Dee Vee Enterprises Pty Ltd	145 136 652
68	EDWY14 WA Pty Ltd	610 296 645
69	Ferrous Ferric Pty Ltd	607 117 948
70	Hedland Projects Pty Ltd	145 328 418
71	Kurst WA Pty Ltd	611 094 332
72	Macpherson Realty Options Pty Ltd	126 711 162
73	Macro Projects TS PH Pty Ltd	169 433 158
74	MCKST Pty Ltd	610 296 618
75	MRF Kurra Pty Ltd	603 215 756
76	Newkins WA Pty Ltd	609 165 568
77	Prime Holdings Group Pty Ltd	131 361 450
78	Splendiferous Enterprises Pty Ltd	606 731 177