

Form 59

Rule 29.02(1)

Affidavit

Federal Court of Australia

No WAD 41 of 2025

District Registry: Western Australia

Division: Corporations

IN THE MATTER OF NUHEARA LIMITED (ADMINISTRATORS APPOINTED)

ACN 125 167 133

Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara Limited (administrators appointed) ACN 125 167 133 and others according to the Schedule.

Plaintiffs

Realtek Semiconductor Corporation

Defendant

Affidavit of: Martin Bruce Jones
Address: Level 7, 235 St Georges Terrace, Perth WA 6000
Occupation: Chartered Accountant and Registered Liquidator
Date: 11 March 2025

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Filed on behalf of (name & role of party) Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara Limited (administrators appointed) ACN 125 167 133, Plaintiffs

Prepared by (name of person/lawyer) Michael Barrett and Eden Bird

Law firm (if applicable) Thomson Geer

Tel +61 8 9404 9100 Fax +61 8 9300 1338

Email mbarrett@tglaw.com.au/ebird@tglaw.com.au

Address for service (include state and postcode) Level 29, Central Park Tower, 152-158 St Georges Terrace, Perth WA 6000

1 *Caleb Delaney* 

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I, MARTIN BRUCE JONES, care of Level 7, 235 St Georges Terrace, Perth in the State of Western Australia, Chartered Accountant and Registered Liquidator, make oath and say as follows:

1. I have previously sworn five affidavits in this proceeding on 17 February 2025 (**First Affidavit**), 20 February 2025 (**Second Affidavit**), 25 February 2025 (**Third Affidavit**), 27 February 2025 (**Fourth Affidavit**) and 5 March 2025 (**Fifth Affidavit**). Terms defined in those affidavits are used in this affidavit.

Further revision to the Syndicate Proposal

2. On Thursday, 6 March 2025, our solicitors received from the Syndicate's solicitors a letter setting out a further revised version of the Syndicate Proposal.
3. Annexed and marked "MBJ-46" is a copy of this letter.

Realtek lifts its bid after we report to creditors

4. On Saturday, 8 March 2025, at approximately 6.45pm AEST, our solicitors received an email from Realtek's solicitors stating "*Realtek has agreed to amend the DOCA to increase the payment to unsecured creditors to 55 cents in the*

dollar."

Annexed and marked "MBJ-47" is a copy of this email.

5. This followed the provision of our further supplementary report to creditors late on the night of Friday 7 March 2025 which was issued (by way of a circular to creditors and posting on our website) (**Further Report**) which included our recommendation that the creditors should vote in favour of the Syndicate Proposal as revised on 6 March 2025.

Annexed and marked "MBJ-48" is a copy of this report.

6. Realtek were aware because of their participation in this proceeding that we needed to and would issue our Further Report by Friday, 7 March 2025. However, Realtek waited until after the provision of the report to make this revision to its proposal.

Leave to sell the Assets and the Business

7. On 21 February 2025, the Court made orders including order 1 as follows (**Section 442C Order**):

"In the event a proposed deed of company arrangement, annexed as Annexure AJF-3 to the affidavit of Andrew James Filing sworn 20 February 2025, is accepted at the second meeting of creditors of Nuheara Limited (Administrators Appointed) (Company), to be held on 25 February 2025, the Plaintiffs as administrators have leave pursuant to s 442C of the Corporations Act 2001 (Cth) (Act) to dispose of the Assets and the Business (as those terms are defined in the Agreement) to give effect to such deed of company arrangement."

8. As I have deposed previously, because Realtek made a DOCA proposal on the late afternoon of Monday 24 February 2025, following the hearing and order referred to above, we urgently sought and obtained orders on Thursday, 27 February 2025 further extending the time for us to convene the Meeting (which was at that time convened to take place on Friday, 28 February 2025) to Monday, 17 March 2025.
9. On Thursday, 6 March 2025, the solicitors for Realtek contacted our solicitors and contended, for the first time, that the Section 442C Order did not empower us to dispose of the Assets and Business to give effect to the Syndicate Proposal as revised on 6 March 2025, because it expressly referred to an exhibit to Mr Filing's affidavit which was a copy of the 17 February 2025 version of the Syndicate Proposal, and to a Meeting date of 25 February 2025 rather than 17

March 2025. Our solicitors replied on 6 March 2025 and sought Realtek's consent to orders amending the Section 442 Order.

Annexed and marked "**MBJ-49**" is a copy of this correspondence.

10. Despite further correspondence between the solicitors, no agreement has been reached and thus we seek a further order of this Honourable Court to resolve the issue.

Annexed and marked "**MBJ-50**" is a copy of this correspondence.

11. For avoidance of doubt, and as our solicitors have repeatedly stated to Realtek's solicitors on calls and in writing, we will not dispose of the Assets or Business pursuant to the Syndicate Proposal without a further or amended order of the Court permitting us to do so. I do not understand why Realtek now seeks an injunction to restrain us from doing the very thing we have stated that we will not do and in circumstances where there in any event cannot be any sale of the Assets or Business to the Syndicate unless the creditors vote in favour of the Syndicate Proposal at the meetings to be held on 17 March 2025.
12. However, should the creditors resolve that we should enter into a DOCA based on the Syndicate Proposal, we will seek to implement the creditors' wishes as quickly as possible, especially having regard to the fact that we are only funded until the end of March. We therefore respectfully seek that the Court makes a further or amended order now so that we do not need to come back to Court following the Meeting.
13. I also believe that it would be in the creditors' interests to know ahead of the Meeting that, if there is a resolution that we should enter into a DOCA based on the Syndicate Proposal, we will be able to do so (and without delay). I am concerned that this has now become a very lengthy administration and respectfully suggest that the creditors are entitled to know what potential outcomes there are in the Administration.

Our deadline for further revisions to DOCA proposals

14. We do not wish to seek a further extension to the date for convening the Meeting which has been convened for next Monday, 17 March 2025.
15. Although we wish to and are obliged to seek the best return for creditors of the Companies, we also have an obligation to finalise the administration of the Companies in a timely manner.

Caleb Delaney



16. In light of the further revision of the Realtek Proposal sent to my solicitors on the night of Saturday 8 March 2025, and their unwillingness to confirm that this latest proposal was their final position, and for the reasons referred to in paragraphs 14 and 15 above, on 10 March 2025, we instructed our solicitors to write to the solicitors for each of Realtek and the Syndicate and indicate that any revisions to their respective proposals needed to be made by 12pm AWST today, 11 March 2025.

Annexed and marked "MBJ-51" are copies of these emails.

17. We also instructed our solicitors to send to the solicitors for each of Realtek and the Syndicate a copy of the proposed amended Interlocutory Process in this proceeding, by which we seek orders that our reporting requirements under the Act will be complied with by issuing one further supplementary report to creditors taking into account any revisions to proposals received by 12pm AWST today but disregarding any received thereafter.
18. As at the time of swearing this affidavit (shortly after 2pm Perth time), no revised proposals have been received.

Response to Realtek's evidence

19. I have seen the affidavits filed by Realtek in this proceeding. In the time available to me I cannot respond to every matter raised.
20. However, there is one matter which I wish to respond to in the affidavit of Mr Hou Wei Lin, at paragraph 39. There, it is stated that Realtek asked our solicitors to arrange meetings with NUH's employees after the creditors' meeting on 28 February 2025 was adjourned, however this request was declined.
21. It is correct that the request was declined. However, Realtek is in the same position as the Syndicate in this regard, whose similar request was also declined.
22. Amongst other reasons, we are concerned that such interviews might lead to the inadvertent disclosure of confidential information, and we do not think that it is practicable for our lawyers to attend 28 such interviews (ie, two interviews for each of the 14 remaining employees).
23. I know the facts deposed to herein of my own knowledge except where otherwise appears.

Caleb Delaney



SWORN by the deponent at Perth in)
the State of Western Australia on this)
11th day of March 2025)
Before me:)
)



Signature of deponent

Caleb Delaney

CALEB ANDREW DELANEY
of 525 Collins Street, Melbourne
being an Australian Legal Practitioner
within the meaning of the Legal Profession
Uniform Law (Victoria)

A person authorised under section 19(1) of the **Oaths and Affirmations Act 2018** to take an affidavit.

This affidavit, as signed and notated by a person authorised under section 19(1) of the Oaths and Affirmations Act 2018 to take an affidavit was, pursuant to Part 5A of that Act, signed or initialled by the deponent by electronic means, specified things in respect of the affidavit were done by means of audio-visual link, and the document is a scanned copy not an original.

SCHEDULE

Federal Court of Australia

No WAD 41 of 2025

District Registry: Western Australia

Division: Corporations

Second Plaintiff: Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara IP Pty Ltd (administrators appointed) ACN 605 704 096

Third Plaintiff: Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Terrace Gold Pty Ltd (administrators appointed) ACN 072 608 952

Form 59

Rule 29.02(1)

Federal Court of Australia

No of 2025

District Registry: Western Australia

Division: Corporations

IN THE MATTER OF NUHEARA LIMITED (ADMINISTRATORS APPOINTED)

ACN 125 167 133

Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara Limited (administrators appointed) ACN 125 167 133

Plaintiffs

Realtek Semiconductor Corporation

Defendant

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MBJ-46**" now produced and shown to Martin Bruce Jones at the time of swearing his affidavit on 11 March 2025.

Caleb Delaney

.....
CALEB ANDREW DELANEY
of 525 Collins Street Melbourne
being an Australian Legal Practitioner
within the meaning of the Legal Profession
Uniform Law (Victoria)


.....
Signature of deponent

Exhibit "MBJ-46"
being a copy of the letter from the
Syndicate's solicitor dated 6 March 2025 with
Revised DOCA Proposal

Our Ref: 243627_3464-8970-0151_4

6 March 2025

Mr Martin Jones, Joint and Several Administrator
NuHeara Limited (Administrators Appointed) KPMG
Level 8, 235 St Georges Terrace
PERTH WA 6000

By email: martinjones@kpmg.com.au

Dear Sir/Madam

NuHeara Limited (Administrators Appointed)

We are instructed on behalf of Orecchio Pty Ltd ("**Proponent**") to submit a variation to the proposed Deed of Company Arrangement ("**DOCA**") for NuHeara Limited (Administrators Appointed) ("**NUH**"), NuHeara IP Pty Ltd (Administrators Appointed) ("**NuHeara IP**") and Terrace Gold Pty Ltd (Administrators Appointed) ("**Terrace**") (taken together, the "**Group**").

DOCA in respect of NUH

The elements of the proposed DOCA for NUH are as follows:

1. The joint and several deed administrators would be Martin Jones, Matthew Woods and Clint Joseph.
2. The parties to the DOCA will be the Group, the deed administrators and the Proponent.
3. The deed administrators will have all of the powers set out in Schedule 8A of the Corporations Regulations.
4. Subject to fulfilment of each of the matters referred to in paragraphs 6, 7, 11 and 13, the deed administrators will seek to procure the liquidation of NUH on or before 30 June 2025.
5. The establishment of a creditors' trust in accordance with the provisions of paragraph 36 below.
6. The Proponent will as a condition of the Asset Sale Agreement referred to in paragraph 13 below, offer employment to all current employees of NUH, consistent with their present employment terms and conditions and will assume the liability of NUH for all unpaid or accrued employee entitlements. The deed administrators will terminate the employment of all employees who accept such offers of employment.
7. The deed fund will be distributed as follows:

- 7.1 Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 7.2 Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 7.3 Thirdly, in the case of employees who are not employed by the Proponent in accordance with paragraph 6, payment of entitlements that would, in a liquidation, be accorded a priority under section 556(1), 560 and 561 of the Corporations Act, including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
 - 7.4 Fourthly, in payment of a dividend to arm's length non-priority unsecured creditors.
8. The deed fund will be made up of:
- 8.1 The net funds received and receivable by the administrators during the administration period ("**Administration Balance**");
 - 8.2 A payment made by the Proponent as payment for the assets and undertakings of NUH pursuant to the ASA as defined in paragraph 13 below ("**Deed Contribution**"); and
 - 8.3 A further amount to become payable into the creditors' trust if:
 - 8.3.1 the Proponent effects a sale of the business by 30 June 2026; **or**
 - 8.3.2 the Proponent earns a net profit after tax for the financial year ending 30 June 2026 to allow it to make such payment; andin both cases, from its profits after deducting its debts (whether or not due and payable) and the paid up capital of the Proponent, up to a further 30c/\$ (in each case the "**Uplift Amount**").
9. The Deed Contribution will be such amount as is required further and in addition to the Administration Balance so as to effect:
- 9.1 Payment in full of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 9.2 Payment in full of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 9.3 To the extent there are such claims, payment in full of all entitlements that would, in a liquidation, be accorded a priority under sections 556(1), 560 and 561 of the Corporations Act including in respect of employees plus unpaid superannuation contributions and annual leave entitlements;
 - 9.4 Payment of a dividend to arm's-length non-priority unsecured creditors which will be paid from the Deed Contribution and which based upon existing claims in the Administration is presently estimated to result in a dividend of approximately 20c/\$ to such creditors on a *pari-passu* basis; and
 - 9.5 If an Uplift Amount becomes payable, a further dividend payable to arm's-length non-priority unsecured creditors from the creditors' trust being their share on a *pari-passu* basis of the Uplift Amount, after deduction of the trustees' reasonable remuneration, costs and expenses.

10. For the purpose of the DOCA the obligations of the Group and the administrators to make payment under the Funding Term Sheet dated 18 November 2024 will be administrators' liabilities for the purpose of clauses 7.1 and 9.1 herein ("**First Funding Agreement**").
11. For the purpose of the DOCA further payment of \$570,000 foreshadowed in the earlier DOCA proposal will also be administrators' liabilities under s443A of the Act for the purpose of clauses 7.1 and 9.1 herein.
12. The deed administrators will not cause any of the Group to make claims or prove for or receive distributions based on an inter-group loan account balances.
13. The Proponent will enter into an asset sale agreement ("**ASA**") within 7 days from the date of this letter pursuant to which NUH will sell to the Proponent the following assets and undertakings:
 - 13.1 The property of NUH which is the subject of a registered security agreement bearing no 202403150083941 in the Register established under the *Personal Property Securities Act 2009* (Cth) ("**Property**") in favour of Realtek Semiconductor Corporation ("**Realtek**"). The consideration for the purchase of the Property is \$500,000 which will be payable to Realtek on completion of the ASA and such consideration shall in no circumstances be available to the creditors of NUH other than Realtek or for the purpose of meeting any of the liabilities referred to in paragraph 9 of this letter. The order to be sought pursuant to s442C of the Act will also seek to discharge the security referred to in this paragraph 12 held by Realtek over the Property.
 - 13.2 All other property, assets and undertakings of NUH and the Subsidiaries required for the conduct of the Nuheara business (including, without limitation, all registered intellectual property and the "Nuheara" business name), which may include the shares in NuHeara IP (at the election of the Proponent) and the transfer of employees to the extent that the employees consent to the same.
14. The DOCA will take effect (the "**commencement date**") upon each of the following being satisfied:
 - 14.1 The execution of the DOCA by the parties to it.
 - 14.2 Execution of the subsidiary DOCAs referred to below.
15. The Deed Contribution will be payable upon the later of:
 - 15.1 The commencement date; and
 - 15.2 Fourteen days from the deed administrators informing the Proponent of their reasonable estimate of the net amount required to satisfy the obligations set out in paragraph 9 herein.
16. If there are any funds remaining after payment of the amounts provided for by clause 9, such funds will be returned to the Proponent.
17. From the commencement date there will be a moratorium in place against any enforcement of unsecured creditors' claims. Creditors entitled to prove must accept their entitlements under the DOCA in satisfaction of all claims they had when the administration began.
18. The property available for distribution to participating creditors will be limited to the amounts in the deed fund.
19. The DOCA will be fully effectuated upon payment of a dividend comprising the amounts referred to in paragraphs 9.3 and 9.4.

20. The DOCA will include standard terms providing for termination of the DOCA as determined to be appropriate by the administrators. The DOCA may also be terminated on grounds as provided for in the Corporations Act.

DOCAs for NuHeara IP Pty Ltd (Administrators Appointed) and Terrace Gold Pty Ltd (Administrators Appointed) (collectively "the Subsidiaries").

21. The Proponent also proposes a DOCA for the Subsidiaries which are also in administration. There could be one or two separate DOCAs.
22. The joint and several deed administrators would be Martin Jones, Matthew Woods and Clint Joseph.
23. The parties to the DOCA will be the relevant companies, the deed administrators and the Proponent .
24. The deed administrators will have all of the powers set out in Schedule 8A of the Corporations Regulations.
25. The deed fund in respect of the Subsidiaries (which for the avoidance of doubt is a separate fund to that referred to in paragraph 7 above) will be distributed as follows:
- 25.1 Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
- 25.2 Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
- 25.3 Thirdly, to the extent there are such claims, in payment of entitlements that would, in a liquidation, be accorded a priority under section 556(1), 560 and 561 of the Corporations Act, including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
- 25.4 Fourthly, in payment of a dividend to arm's length non-priority unsecured creditors.
26. The deed fund in respect of the subsidiaries will be made up of:
- 26.1 The relevant Administration Balances in respect of the Subsidiaries (if any); and
- 26.2 A payment made by the Proponent ("**Subsidiary Deed Contribution**").
27. The Subsidiary Deed Contribution will be such amount as is required further and in addition to the Administration Balance so as to effect:
- 27.1 Payment in full of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
- 27.2 Payment in full of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
- 27.3 Payment in full of all entitlements that would, in a liquidation, be accorded a priority under sections 556(1), 560 and 561 of the Corporations Act including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
- 27.4 Payment of such dividend to arm's-length non-priority unsecured creditors (if any) on the same terms specified in paragraph 9.4 above.

28. The establishment of a creditors trust in accordance with paragraph 36 below.
29. The subsidiary DOCAs will take effect upon each of the following being satisfied:
 - 29.1 Execution of the subsidiary DOCAs; and
 - 29.2 The commencement of the NUH DOCA.
30. The Deed Contribution will be payable upon the later of:
 - 30.1 The commencement date; and
 - 30.2 Fourteen days from the deed administrators informing the Proponent of their reasonable estimate of the net amount required to satisfy the obligations set out in paragraph 26 above.
31. If there are any funds remaining after payment of the amounts provided for by paragraph 26, such funds will be returned to the Proponent.
32. From the commencement date there will be a moratorium in place against any enforcement of unsecured creditors' claims. Creditors entitled to prove must accept their entitlements under the DOCA in satisfaction of all claims they had when the administration began.
33. The property available for distribution to participating creditors will be limited to the amounts in the deed fund.
34. The DOCA will be fully effectuated upon payment of a dividend comprising the amounts referred to in paragraph 27.
35. The DOCA will include standard terms providing for termination of the DOCA as determined to be appropriate by the administrators. The DOCA may also be terminated on grounds as provided for in the Corporations Act.
36. Upon the payment of the Deed Contribution and Subsidiary Deed Contribution in respect of each of the DOCAs, the deed administrators will establish a creditors' trust to be known as the "Nuheara Group Creditors' Trust" ("**Trust**").
 - 36.1 The deed administrators will be the trustees of the Trust and will administer it;
 - 36.2 Upon execution of the trust deed for the Trust, all admissible creditor claims against NUH and the Subsidiaries being that of employees or participating unsecured creditors will be transferred to the Trust and become liabilities of the Trust with NUH and the Subsidiaries being released and discharged from the same;
 - 36.3 Upon the execution of the trust deed for the Trust, the amount held by the deed administrators by way of the Deed Fund will be paid to the trustees of the Trust to be administered and dealt with in accordance with the terms of the trust deed.
37. The Proponent will provide an undertaking on a basis reasonably acceptable to the administrators:
 - 37.1 to trade the business utilising the assets purchased pursuant to the ASA, and employing the staff to whom it makes offers of employment which are accepted for a period of at least 6 months from the commencement date unless earlier sold; and
 - 37.2 to utilise the goods and services of supplier non-priority unsecured creditors wherever practicable in the course of such trading.

If you would like to discuss any aspect of the above proposal, please do not hesitate to get in touch.

Yours faithfully
Cowell Clarke

Per:



Richard Beissel
Director
RBeissel@cowellclarke.com.au

Copy to: Kieran Chu, KPMG
By email: kchu2@kpmg.com.au

Form 59

Rule 29.02(1)

Federal Court of Australia

No of 2025

District Registry: Western Australia

Division: Corporations

IN THE MATTER OF NUHEARA LIMITED (ADMINISTRATORS APPOINTED)

ACN 125 167 133

Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara Limited (administrators appointed) ACN 125 167 133

Plaintiffs

Realtek Semiconductor Corporation

Defendant

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MBJ-47**" now produced and shown to Martin Bruce Jones at the time of swearing his affidavit on 11 March 2025.

Caleb Delaney

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CALEB ANDREW DELANEY
of 525 Collins Street Melbourne
being an Australian Legal Practitioner
within the meaning of the Legal Profession
Uniform Law (Victoria)



.....
Signature of deponent

Exhibit "MBJ-47"
being a copy of the email from Realtek's
solicitors on 8 March 2025 amending the
Realtek Proposal

From: David Sanders <dsanders@bennettlaw.com.au>
Sent: Saturday, 8 March 2025 6:24 PM
To: Bird, Eden; Oliveri, Melissa; Roost, Hedley
Cc: Barrett, Michael; Chloe Placzek; Dalitso Banda
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

Thanks Eden,

I confirm these amendments reflect our discussion.

Realtek has agreed to amend the DOCA to increase the payment to unsecured creditors to 55 cents in the dollar.

Realtek has no further comments pending you confirming your client's instructions in relation to this draft.

I note that you had hoped to get us drafts of the subsidiary DOCAs yesterday but given you have a public holiday on Monday I assume you may not be able to get these to us until Tuesday.

I would be grateful however if you or one of your Perth colleagues is able to confirm when you have had an opportunity to communicate this email to your client, or alternatively authorise me to send it directly to your client.

Kind regards

Bennett
LITIGATION AND COMMERCIAL LAW

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Corporate Counsel

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Caleb Delaney

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CALEB ANDREW DELANEY
of 525 Collins Street Melbourne
being an Australian Legal Practitioner
within the meaning of the Legal Profession
Uniform Law (Victoria)


.....
Signature of deponent

Exhibit "MBJ-48"
being a copy of the Further Supplementary
Report to Creditors



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PERTH WA 6000

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www.kpmg.com.au

7 March 2025

To Creditors

Dear Sir/Madam

Nuheara Limited ACN 125 167 133 (Administrators Appointed)
Nuheara IP Pty Ltd ACN 605 704 096 (Administrators Appointed)
Terrace Gold Pty Ltd ACN 072 608 952 (Administrators Appointed)

(Collectively referred to as "the Group")

I refer to the appointment of Matthew Woods, Clint Joseph, and I, Martin Jones, as Joint and Several Voluntary Administrators of the Group on Thursday, 7 August 2024 pursuant to Section 436A of the Corporations Act 2001 (the Act).

We have convened a concurrent reconvened second meeting of creditors of the Group in order to determine the Group's future. Please find **enclosed** the Voluntary Administrators' Second Supplementary Report pursuant to Insolvency Practice Rules (Corporations) 2016 75-225 and Section 438A of the Act.

This report should be read in conjunction with the Administrators' previous reports and correspondence to creditors which are available from <https://kpmg.com/au/en/home/creditors/nuheara.html>.

The Voluntary Administrators' Second Supplementary Report includes our recommendation, with supporting reasons, on each of the following matters:

- Whether it would be in the creditors' interests for each company to execute a Deed of Company Arrangement (DOCA); or
- Whether it would be in the creditors' interests for each company to be wound up; or
- Whether it would be in the creditors' interests for the administration to end (in which case control of the company will revert to its directors).

You will note that the Administrators' recommendation is that it is in creditors' best interest to accept the Orecchio DOCA proposal.

The following documents in respect of the 3rd Reconvened Second Meeting of Creditors for the Group are **attached** to the report:

Report annexure	Document	Description
B	Notice of Reconvened Concurrent Meeting of Creditors (Form 529)	<ul style="list-style-type: none">- Please note that the meeting will be on Monday 17 March 2025, commencing at 11:30am AWST- You should arrive for registration at least 20 minutes prior to the meeting.- For creditors who are unable to attend the meeting, a conference call facility will be available.- Please contact KPMG by email at nuheara@kpmg.com.au or via telephone on (08) 9263 7287 at least one (1) business day prior to the meeting

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Report annexure	Document	Description
		to advise that you will be using the conference facilities and you will be provided with the conference ID.
G	Appointment of proxy (Form 532)	<ul style="list-style-type: none"> - This form enables you to appoint a person to act on your behalf at the meeting. - Proxy forms submitted at the previous meetings of creditors are <u>not</u> valid for this meeting.
E	Short Guide to the Creditors' Portal	<ul style="list-style-type: none"> - We are using the Creditors' Portal to manage creditor claims. - This document provides guidance on how to register and submit a claim. - A person is not entitled to vote at the meeting unless they provide particulars of their debt or claim electronically via the Creditors' Portal before the meeting. - All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Group or any lien over goods in their possession which are the property of the Group via the Creditors' Portal. - If you have previously lodged your claim on the Creditors' Portal for the purposes of the first meeting of creditors, you <u>do not</u> need to re-submit your claim for the second meeting of creditors unless you wish to amend your claim.
D	Australian Restructuring, Insolvency and Turnaround Association (ARITA) Creditor Information Sheet	<ul style="list-style-type: none"> - Contains information regarding offences, recoverable transactions and insolvent trading, which may be pursued if the Group are placed into liquidation. - Creditors should review the ARITA information sheet in conjunction with section 9 of the Administrators' report.

Proofs of debt and proxy forms are to be lodged before the meeting and, in any event no later than 4:00pm on Friday, 14 March 2025.

For further information concerning the Voluntary Administration process and KPMG, you may wish to visit our website at <https://kpmg.com/au/en/home/creditors/nuheara.html>. In addition, you can access general information about external administrations and insolvency from ARITA's website at www.arita.com.au.

Should you have any questions regarding the administration or this report, please contact us on (08) 9263 7287 or email at nuheara@kpmg.com.au.

Yours faithfully



Martin Jones
 Joint and Several Administrator

End.



Nuheara Limited
ACN 125 167 133

Nuheara IP Pty Ltd
ACN 605 704 096

Terrace Gold Pty Ltd
ACN 072 608 952

(All Administrators Appointed)

Voluntary Administrators'
Second Supplementary Report

7 March 2025

Level 8, 235 St Georges Terrace,
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Please complete and return the forms at Annexure G by 4:00pm AWST, Friday, 14 March 2025 to our office via:

Email: nuheara@kpmg.com.au
Post: Attention: Bohan Teakle,
C/- KPMG
GPO Box A29
Perth WA 6837

Glossary of terms

Term	Description
ACN	Australian Company Number
Act	Corporations Act 2001
Administrators	Martin Jones, Matthew Woods and Clint Joseph of KPMG
Administrators Report	The Voluntary Administrators Report dated 10 December 2024
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASA	Business Purchase Sale Agreement
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
Azure	Azure Capital Pty Ltd
c/\$	Cents in the Dollar
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Creditors' Portal	The online platform used by the Administrators to communicate with creditors, manage creditor claims. Please refer to Annexure E for further information
Creditors' Trust	Nuheara Group Creditors' Trust as contemplated under the Orecchio DOCA
Directors	Justin Paul Miller David Buckingham Kathryn Sue Giudes Cheryl Lynn Edwardes Yean-Shao Liu
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
Excluded Employee	Justin Miller
FCA	Federal Court of Australia
FEG	Fair Entitlements Guarantee
First Meeting	First meeting of creditors held on 19 August 2024
FY	Financial year
IPR	Insolvency Practice Rules (Corporations) 2016
Intellectual Property	All trademarks, business names, domain names, licenses, software, documents, branding owned by NUH IP
Major Shareholders	Farjoy Pty Ltd

Term	Description
	Fiago Construction Pty Ltd Mr Xuan Khoa Pham
NUH/Nuheara	Nuheara Limited
NUH IP	Nuheara IP Pty Ltd
Orecchio / Orecchio DOCA Proponent	Orecchio Pty Ltd
PPSR	Personal Property Securities Register
Realtek DOCA Proponent / Realtek / Secured Creditor	Realtek Semiconductor Corporation
Realtek Funding	An amount of \$474k plus GST advanced to Thomson Geers trust account in accordance with the FCA Orders' dated 25 February 2025. Of that amount, \$274K plus GST is for the purpose of funding the business for March 2025, the balance is for the purpose of Administrators' fees and legal fees.
1 st Reconvened Second Meeting	Reconvened Second Meeting held on 25 February 2025 pursuant to Section 439A of the Act, which was adjourned.
2 nd Reconvened Second Meeting	Reconvened Second Meeting held on 28 February 2025 pursuant to Section 439A of the Act, which was adjourned.
3 rd Reconvened Second Meeting	Reconvened Second Meeting held on 17 March 2025 pursuant to Section 439A of the Act, where creditors determine the future of the Group.
Report / Second Supplementary Report to Creditors	This report, prepared pursuant to IPR 75-225 and Section 438A of the Act dated 7 March 2025
ROCAP	Report on Company Activities and Property
R&D	Research and Development
Salutica	Salutica Allied Solutions Sdn Bhd
Second Meeting	Second Meeting held pursuant to IPR 75-225 and Section 439A of the Act, where creditors adjourned the meeting of up to 45 business days held on 18 December 2024
Shareholders Committee	Certain of the Group's shareholders who have expressed an interest in acquiring or recapitalising the Group's affairs by way of a submitted draft DOCA proposal
SPV	Special Purpose Vehicle
Subsidiaries	Nuheara IP Pty Ltd Terrace Gold Pty Ltd
Terrace Gold	Terrace Gold Pty Ltd
The Group	Nuheara Limited Nuheara IP Pty Ltd Terrace Gold Pty Ltd
VA Loan Funding	Working capital advanced by the Major Shareholders under the first funding agreement dated 18 November 2024
Voluntary Administrators Supplementary Report	The Voluntary Administrators Supplementary Report to Creditors dated 17 February 2025

1 Executive summary

This Section addresses frequently asked questions relating to the Administration of the Group including a summary of the estimated outcome for creditors. Full details are available throughout this Report.

Question	
What is the Group?	<p>The Group specialises in the production of innovative over the counter earbuds that provide enhanced hearing and noise reduction capabilities.</p> <p>The Group was based in Northbridge, Western Australia. Nuheara is ASX-listed and sells its products primarily in Australia, the United States and Canada.</p>
What is the purpose of this Report?	<p>The purpose of this Report is to table the findings of our investigations of the Group's business, property, affairs and financial circumstances, as well as our opinion on the three options available to creditors in deciding the future of the Group at the 3rd Reconvened Second Meeting of Creditors.</p>
What is the current status of the Group?	<p>On 7 August 2024, Martin Jones, Matthew Woods and Clint Joseph, were appointed as joint and several Administrators of the Group by the Directors under Section 436A of the Act.</p> <p>The Group continues to trade, however, it has vacated NUH's head office premises in order to reduce the cost of overheads.</p>
Who is in control of the Group?	<p>On appointment, the Administrators assumed control of the Group operations and notified employees, creditors and other stakeholders of their appointment. The Administrators then conducted an urgent financial and commercial review of the Group with the assistance of key personnel and communications with key stakeholders including customers and suppliers.</p> <p>The Administrators have also undertaken preliminary investigations into the affairs of the Group and the reasons for its failure.</p>
What is the ownership structure of the Group?	<p>Nuheara is an ASX-listed entity and has controlling interests in six (6) subsidiaries. Only two (2) of those subsidiaries, NUH IP and Terrace Gold, are subject to external administration.</p> <p>The Group's corporate structure is set out in Section 3.</p>
How did the Group's business trade?	<p>Nuheara is the parent entity for the Group. It dealt with the corporate and administrative tasks, including maintaining its listing on the ASX, as well as being the employing entity which facilitated trading of its business.</p> <p>Nuheara IP own the Intellectual Property, whilst Terrace Gold was primarily dormant.</p>
Why do the Directors believe the Group became insolvent?	<p>The Directors of the Group have provided us with the following reasons for its failure:</p> <ul style="list-style-type: none">– <i>"Nuheara had determined it would be unable to repay a Convertible Note which was maturing on 9th September 2024. The Convertible Note is with Nuheara's largest shareholder Realtek Semiconductor of Taiwan. Nuheara and Realtek were unable to reach an agreement on reorganising the Convertible Note. Separately the Company had not received an executed Commercial and Royalty Agreement from Realtek. This agreement was critical for generation product manufacturing and its strategic capability to raise further capital."</i>

Question

What do the Administrators consider were the underlying causes of the Group failure?

In addition to the reasons identified by the Directors, the Administrators consider the reasons the Group failed include:

- Ongoing losses requiring funding (revenue levels were inadequate for the cost structure)
- Inability to raise sufficient capital and refinance the existing convertible note debt

When do the Administrators consider the Group became insolvent?

Based upon our preliminary investigation into the affairs of the Group, we consider that the Group became insolvent on or around the date of our appointment on 7 August 2024. The precise date will be subject to further investigations should a liquidator be appointed.

What was the outcome of the sale of business process?

The Administrators engaged Azure to conduct a sale process for the Group. Azure also conducted a similar exercise for the Group prior to our appointment and accordingly had a listing of potential interested parties who were familiar with the Group and its business.

The result of the sale process is that one non-binding offer was received for the assets of the Group, however, the consideration offered was a nominal amount and would not have provided a return to any class of creditor or adequate to satisfy the Company's post appointment trading liabilities, which are repayable by way of the VA Loan Funding. Accordingly, the offer was not capable of consideration by creditors.

Please refer to **Section 6** of this Report for further details on the sale process.

At the time of this Report, we have received two (2) DOCA Proposals as follows:

- a DOCA proposal from a group of shareholders of NUH (via their solicitors) on 7 February 2025 and was subsequently varied on 17 February 2025. This proposal has been superseded by a further DOCA proposal by Orecchio Pty Ltd, the SPV nominated by the shareholder group as the proponent for this DOCA proposal and was received on 6 March 2025 (referred to as the Orecchio DOCA).
- a DOCA proposal from the Secured Creditor of NUH, Realtek, (via their solicitors) on 24 February 2025 and was subsequently varied on 28 February 2025 (referred to as the Realtek DOCA).

Have the Administrators explored the possibility of a DOCA?

The purpose of each respective DOCA is to provide a fund which will enable a distribution to the creditors of the Group, facilitating a cleansing of their respective balance sheets, and allowing the Group to realise its business as a going concern, free of encumbrances. Each prospective DOCA includes an ASA being entered into under which the assets of the business of the Group are sold to the respective SPV.

Following payment of the Deed Contribution to the Group, the Realtek DOCA will pay all employee entitlements except for transferring employees who's entitlements will transfer, a dividend to participating unsecured creditors under the DOCA, and with the prospect of new employment being offered subject to accepting an interview and therefore receiving and accepting an offer.

Under the Orecchio DOCA, a Creditors' Trust will be established. The creditors of the Company will be transferred to the Creditors' Trust, along with the Trust Fund. Participating creditors will then receive a distribution in their capacity as beneficiaries of the Creditors' Trust in accordance with the terms of the Creditors' Trust Deed and DOCA.

The Orecchio DOCA will offer employment to all current employees of NUH consistent with their present employment terms and unless 80% non-administrative employees accept the offer the DOCA/ASA will not complete. This provides greater certainty of continuation of the business and therefore their employment. Further, Orecchio undertakes to fund the ongoing trading for an initial period of 6 months.

The key terms of each DOCA proposal are discussed further at **Section 7** and copies of each proposal are enclosed as **Annexure F** of this Report.

Question

The purpose of the meeting to be held on Monday, 17 March 2025 is to resolve the future of the Group. The options available include whether:

- the Group execute a DOCA (either the Realtek DOCA or the Orecchio DOCA); or
- the Administrations should end; or
- the Group be wound up.

For further details on how to attend and vote at the 3rd Reconvened Second Meeting of Creditors please refer to **Section 2.10** of this Report.

For completeness, we provide below a summary of the meetings held (or to be held) to date and the outcome of those meetings:

What is the purpose of the 3rd Reconvened Second Meeting of Creditors to be held on 17 March 2025?

Meeting of Creditors	Meeting Date	Details / Outcome of Meeting
First Meeting	19 August 2024	The Administrators' appointment was ratified, and no COI was appointed.
Second Meeting	18 December 2024	Second Meeting was adjourned for a period not to exceed 45 business days.
1 st Reconvened Second Meeting	25 February 2025	1 st Reconvened Second Meeting was adjourned to 28 February 2025, in accordance with FCA Order dated 25 February 2025.
2 nd Reconvened Second Meeting	28 February 2025	2 nd Reconvened Second Meeting was adjourned to a date no later than 17 March 2025, in accordance with FCA Order dated 27 February 2025.
3 rd Reconvened Second Meeting	17 March 2025	3 rd Reconvened Second Meeting called under s439A of the Act to decide the Group's future.

DOCA

Under the DOCA proposals received, creditors of NUH are expected to receive the following dividends:

Creditor class	Realtek DOCA Estimated dividend rate (c/\$)	Orecchio DOCA Estimated dividend rate (c/\$)
Secured creditor (Realtek)	Realtek's nominated SPV is the Proponent under this option. As consideration for acquisition of the business assets under the ASA, Realtek forgives repayment of the secured debt of approx. \$2.6M	\$500k
Priority employee creditors	100c/\$	100c/\$
Excluded employee	100c/\$ if continuing, or \$3.5K plus no less than 21.1c/\$ on the balance of the claim if not continuing.	100c/\$ if continuing, or \$3.5K plus no less than 20c/\$ on the balance of the claim if not continuing.
Unsecured creditors	21.1c/\$	Initial dividend of no less than 20c/\$. Further uplift payment of an additional dividend limited to 30c/\$, contingent upon a sale of the business or as future financial performance allows after the return of debt and capital by 30 June 2026.* To the fullest extent practicable, using goods and services supplied by the Participating Creditors. By the business continuing to trade under Orecchio, this may produce future economic benefits to existing suppliers and contractors.

What is the estimated return to creditors?

*Refer section 7.5, the Administrators do not have sufficient information to determine if this additional dividend is likely.

NUH IP and Terrace Gold does not have a secured creditor or priority employee creditors. Based on investigations to date, the only creditors are intercompany loans existing in respect of these entities. In the case of the Subsidiaries the return to related creditors under the DOCA is nil.

Liquidation

In a Liquidation, any funds received from the sale of NUH's assets will firstly be applied to the Administrators priority costs which currently total \$2.7M (including the VA Funding Loan and assuming that \$272k is repayable to Realtek for funding provided). The quantum of the amount repayable to Realtek and the priority is the subject of a proposed application to the FCA set down for hearing on Wednesday, 12 March 2025 and as outlined at section 6.3 of this Report).

Question

Having regard to the priority costs of Administration (trading losses, legals, Administrators' fees) incurred to date, we estimate that there will be insufficient proceeds from any sale to provide a return to the Secured Creditor, priority employee creditors, and therefore also unsecured creditors. In a Liquidation, priority employee creditors may make a claim with the FEG who may make payment of certain entitlements (excluding superannuation) up to certain caps.

In the case of NUH IP in a Liquidation, NUH IP may realise its Intellectual Property and after payment of priority external administrators' fees and disbursements, would then distribute a dividend to NUH through its inter-company loan account, however, it is noted that any dividend paid to NUH would be used up to satisfy Administration priority costs. There is also no return expected to unsecured creditors in the case of Terrace Gold.

We also do not expect that there will be any recoveries from voidable transactions referred to in **Section 10** of this Report.

Ultimately, the final rate of return will be dependent on a number of factors. Please refer to **Section 11** for further information.

The terms of Orecchio DOCA and Realtek DOCA give priority to eligible employee creditors by providing that the DOCA will contain a provision as contemplated in Section 444DA of the Act. However, we note that:

- Under the Orecchio DOCA/ASA, the proponent will offer employment to all current employees of NUH consistent with their present employment terms and unless 80% non-administrative employees accept the offer the DOCA/ASA will not complete. This provides greater certainty of continuation of the business and therefore their employment. Further, Orecchio undertakes to fund the ongoing trading for an initial period of 6 months; and
- Under the Realtek DOCA/ASA, the proponent must offer an interview to all staff, and an offer of employment to all staff who accept to be interviewed on terms no less favourable than their current employment agreement. If however, no employee chooses to be interviewed, then Realtek can still acquire the assets under the ASA and complete the DOCA/ASA.

Employees who accept an offer of employment with the DOCA proponent will be excluded from the DOCA and are to be paid from the ordinary course of their employment with the DOCA Proponent.

What and when is the Meeting of Eligible Employee Creditors?

Pursuant to Section 444DA(3) of the Act, a meeting of eligible employee creditors of company has been called for 17 March 2025 at 10:00am (AWST) to consider a resolution agreeing to the non-inclusion of the claims of continuing/transferring employees from being paid as a priority distribution under each of the proposed DOCAs of the Group.

For further details on the requirements and Administrators' Statement, please refer to the Administrators' Circular to Employees dated 7 March 2025, which has been sent to all known eligible employee creditor and also available on the KPMG website (<https://kpmg.com/au/en/home/creditors/nuheara.html>).

This meeting is to be held prior to the 3rd Reconvened Second Meeting of Creditors on 17 March 2025. The resolution pertaining to the exclusion of continuing/transferring employees from the Orecchio DOCA, must be approved by eligible employee creditors (i.e. employees who had a claim against NUH prior to 7 August 2024), to enable the Orecchio DOCA to be considered (and voted upon) at the 3rd Reconvened Second Meeting of Creditors (which is scheduled 90 minutes later at 11:30am (AWST) on 17 March 2025).

Whilst the Realtek DOCA contemplates an offer of new employment with a transfer of employee entitlements, the completion of the Realtek DOCA is not dependent upon employees accepting new offers of employment. Employees will have the opportunity to consider the effect of the Realtek DOCA at the 3rd Reconvened Second Meeting of Creditors on 17 March 2025.

What do the Administrators recommend creditors should do?

Whilst **only one DOCA may be accepted**, if implemented, both DOCAs are likely to provide a more certain, better and timelier return to creditors than an immediate winding up of the Group because:

- Both DOCA proposals make available funds from third-parties, which would otherwise not be available in a liquidation;
- The potentially lower costs associated with the DOCA proposals over liquidation;
- Any realisation of the assets held by the Group in a liquidation scenario will likely be insufficient to discharge the priority costs of the Administration process and therefore there is no prospect of a return to the secured and ordinary unsecured creditors from the realisation of the Group's assets; and
- In a liquidation, recoveries from the voidable and other transactions referred to in **Section 10** of this report are uncertain or unlikely, and even if made, and before taking into account the costs that would be incurred in pursuing them, the return to creditors is much less than is available under either DOCA;
- Both DOCAs provide, to differing degrees, the prospect of the business of NUH continuing and also employment for current employees.

We note that if the DOCA is not accepted and the business and assets not sold to either DOCA Proponents, then it is unlikely that the business will be able to be sold at all, because the Administrators have not identified any other potential purchasers for the business, and they will have no funding to trade the businesses pending a sale process. Further neither NUH (prior to the appointment of the Administrators) nor the Administrators have been able to achieve a sale for amounts equivalent to the amounts being offered by way of the Deed Contribution under both DOCA Proposals.

Accordingly, the consequence of either DOCA Proposal not being approved by creditors, is that the companies will be placed into liquidation and will immediately cease trading which will in turn lead to the termination of all staff.

Having considered both the Realtek and Orecchio DOCA proposals, **the Administrators' recommend that creditors of the Group accept the Orecchio DOCA proposal** as:

- the proposed DOCA meets the objectives of the voluntary administration regime as set out in section 435A of the Act by maximising the chances as much of the Group's business, as is possible continuing in existence following the completion of the sale; and
- Under the Orecchio DOCA/ASA, the proponent will offer employment to all current employees of NUH consistent with their present employment terms and unless 80% non-administrative employees accept the offer the DOCA/ASA will not complete. This provides greater certainty of continuation of the business and therefore their employment; and
- an opportunity for a further uplift payment of an additional dividend limited to 30c/\$, contingent upon a sale of the business or as future financial performance allows after the return of debt and capital by 30 June 2026; and
- there are good prospects of the terms of the DOCA being achieved, as the shareholders and associates of Orecchio had previously funded the business during the Administration since November 2024 for a period of four (4) months providing approximately \$1.1M in working capital; and
- the stated preference of the Managing Director, Group CEO and Co-founder of NUH, Mr Miller to work with Orecchio to continue with the business operations with Orecchio vs the uncertainty on the future direction of the business under Realtek; and

Question

- it provides more fully for a going concern sale and return to creditors which is higher and more certain in quantum than a liquidation scenario; and
- Orecchio undertakes to fund the ongoing trading for an initial period of 6 months; and
- To the fullest extent practicable, Orecchio will use goods and services supplied by the Participating Creditors.

In making this recommendation we note that the additional 30c/\$ dividend, being subject of the sale of the business or sufficient trading profits by 30 June 2026 is something to which we can ascribe no value, given that we have not received any trading forecasts or evidence to suggest that this further dividend is likely to be paid.

Further commentary on the reasons for our recommendation are detailed at **Section 12** of this report.

This recommendation is subject to any material changes that may be proposed by either of the DOCA proponents between the date of this report and the 3rd Reconvened Second Meeting of Creditors on 17 March 2025.

What claims will a liquidator investigate?

Whilst the Administrators have considered the underlying causes of the Group's failure, our investigations into claims arising from those matters are at an early stage.

The preliminary investigations have identified that:

- The Group became insolvent on or around the date of our appointment on 7 August 2024.
- There are potentially \$125K of unfair preferences available to a liquidator if appointed and should an earlier date of insolvency be established.

These, and other potential claims will require further investigation by a liquidator (if one is appointed).

The preliminary investigations undertaken to date in the Administration are detailed at **Section 9** of this report.

Question

What do creditors need to do next?

Creditors will vote on the future of the Group at the 3rd Reconvened Second Meeting of Creditors to be held at 11:30am AWST on 17 March 2025 at the offices of KPMG, Level 8, 235 St Georges Terrace, PERTH WA 6000.

All creditors are entitled to attend the 3rd Reconvened Second Meeting of Creditors. Creditors should review the contents of this report and complete the following forms by **4:00pm** on 14 March 2025:

Form/ voting	Where to submit
Appointment of Proxy - (Form 532) Creditors of NUH - (Annexure G1.1) Creditors of NUH IP - (Annexure G1.2) Creditors of Terrace Gold - (Annexure G1.3)	Email: nuheara@kpmg.com.au Post: GPO Box A29, PERTH WA 6837
COI Nomination Form (only applicable for liquidation) (Annexure G2)	
Proof of Debt - (Form 535)	Via Creditors' Portal https://creditors.accountants/

Further guidance on how to register, submit a Proof of Debt form and vote at the meeting of creditors can be found at **Section 2.10** of this report.

If you require any further information, please see the KPMG website (<https://kpmg.com/au/en/home/creditors/nuheara.html>) and/or contact the following:

Where can I get more information?

Creditor / Employee queries

Phone: 08 9263 7287

Email: nuheara@kpmg.com.au

2 Introduction

This Section provides information on the entities subject to the Administration process, the objectives of the Administration, the purpose of this Report, details of meetings of creditors and a summary of the Administrators' remuneration.

Key takeaways		Ref.
1	On 7 August 2024, Martin Jones, Matthew Woods and Clint Joseph, were appointed as Joint and Several Administrators of the Group by the Directors under Section 436A of the Act.	2.1
2	The 3 rd Reconvened Second Meeting of Creditors for the all the entities of Group is convened for 17 March 2025 at KPMG, Level 8, 235 St Georges Terrace, Perth WA 6000 at 11:30am AWST. The Administrators intend to hold concurrent second meetings of creditors of the Group.	2.10
3	At the 3 rd Reconvened Second Meeting of Creditors, creditors will decide the future of each entity by voting on one of the following options: <ul style="list-style-type: none">- that the administration should end (in this case control of the Group will revert to its directors); or- that the Group should be wound up; or- that the Group execute a DOCA.	2.10

2.1 Appointment of Voluntary Administrators

On 7 August 2024, Martin Jones, Matthew Woods and Clint Joseph, were appointed as Joint and Several Administrators of the Group by the Directors under Section 436A of the Act.

2.2 Objective of voluntary administration

In a voluntary administration, Administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the Directors and Officers, to manage the company's affairs and deal with its assets in the interests of its creditors.

The intention of a voluntary administration is to maximise the prospects of a company continuing in existence or, if that is not possible, to achieve better returns to creditors than would be achieved by its immediate liquidation. During a voluntary administration there is a moratorium over most pre-administration creditor claims.

Administrators are also required to investigate the Group's affairs and report to creditors on the Administrators' opinion as to which outcome of the voluntary administration process is in the creditors' best interest, informing the creditors prior to their voting at the 3rd Reconvened Second Meeting of Creditors to be held on 17 March 2025 (please see Section 2.10 for further details).

2.3 Purpose and basis of this report

IPR 75-225 requires a voluntary administrator to provide a report (the **Second Supplementary Report to Creditors, or this Report**) to all creditors ahead of the 3rd Reconvened Second Meeting of Creditors, outlining:

- Details regarding the business, property, affairs and financial circumstances of the entity under administration;
- The Administrator's opinion and recommendation on each of the options available to creditors; and
- If a DOCA is proposed, the details of the DOCA.

This Report also informs creditors about the preliminary investigations undertaken by the Administrators to date. Accordingly, the views formed in this Report are not final and may be subject to change. Any additional material issues that are identified after this Report may be subject to a further written report and/or tabled at the forthcoming 3rd Reconvened Second Meeting of Creditors.

This Report has been prepared primarily from information obtained from the Group's books and records and discussions with the Directors. Although the Administrators have conducted certain investigations of the affairs of the Group, there may be matters which we are unaware of as an audit of the Group has not been undertaken.

In order to complete our Report, we have utilised information from:

- ASIC;

- the PPSR;
- the Group's books and records;
- discussions with the Directors of the Group;
- discussions with key employees of the Group;
- discussions with creditors of the Group; and
- other public databases.

Please note that a copy of all previous correspondence to creditors, including the Administrators' Report, the Administrators Supplementary Report may be found at our KPMG website:
<https://kpmg.com/au/en/home/creditors/nuheara.html>

2.4 Context of this Report

This Report is based on our preliminary investigations to date. Any additional material issues that are identified subsequent to the issue of this Report may be the subject of a further written report and/or tabled at the 3rd Reconvened Second Meeting of Creditors.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. We reserve the right to alter any conclusions reached based on any changed or additional information which may be provided to us between the date of this Report and the date of the 3rd Reconvened Second Meeting of Creditors (except where otherwise stated).

In considering the options available to creditors and formulating our opinion and recommendation, we have necessarily made forecasts of asset realisations and total creditors' claims based on our best assessment in the circumstances. These forecasts and estimates may change as asset realisations progress, and we receive creditor claims and consequently the outcome for creditors might differ from the information provided in this Report.

Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the 3rd Reconvened Second Meeting of Creditors.

2.5 Declaration of independence, relevant relationships and indemnities

In accordance with Section 436DA of the Act and the Code, a DIRRI was enclosed with the Administrators' first communication to creditors (and tabled at the First Meetings of Creditors).

The DIRRI disclosed information regarding the Administrators' independence, prior personal or professional relationships with the Group or related parties and any indemnities received in relation to the appointment. This assessment identified no real or potential risks to the Administrators' independence.

There has been no change in the declaration since that time.

2.6 First Meeting of Creditors and Committee of Inspection – 19 August 2024

Section 436E of the Act requires the Administrators to convene the first meeting of creditors within eight business days of being appointed.

The First Meeting of Creditors of the Group was held on 19 August 2024, at which the Administrators appointment was confirmed.

Creditors resolved at the First Meeting of Creditors not to appoint a COI.

2.7 Second Meeting of Creditors – 18 December 2024

Based on the statutory timetable of a voluntary administration, the Second Meeting of Creditors was required to be held on or before 11 September 2024. Accordingly, an application to the Federal Court of Australia for an extension of the convening period pursuant to Section 439A(6) and Section 447A(1) of the Act.

The Court made orders on 30 August 2024 including that the date by which the Administrators were required under Section 439A of the Act to convene the meeting of creditors of the Group be extended to 11 December 2024. Pursuant to Section 439A of the Act, the Second Meeting of Creditors of the Group was held on Wednesday, 18 December 2024.

At that meeting held on 18 December 2024, the Chairman determined pursuant to Rule 75-140(1)(b) of the Insolvency Practice Rules (Corporations 2016), that the Second Meeting of Creditors be adjourned for a period not exceeding forty-five (45) business days, to enable, amongst other things:

- Allow further time for interested parties to formulate and put forward a DOCA proposal to creditors and to allow the Administrators further time to progress the potential restructure of the Group; and
- Report back to creditors with sufficient information to accurately determine whether entering into a DOCA (if one is proposed) provides a better return to creditors as compared to an immediate winding-up of each of the companies.

In accordance with the above statutory timeframe, the Reconvened Meeting of Creditors was due to be held by 25 February 2025.

2.8 Reconvened Second Meetings of Creditors – 25 February 2025

The Reconvened Second Meeting of Creditors was held on 25 February 2025 and was adjourned to 28 February 2025 for the reasons outlined below:

- On 24 February 2025 at 2:24pm AWST, the Secured Creditor, Realtek submitted an alternate DOCA proposal for the Group.
- Having regard to the short time before the Reconvened Second Meeting, which was convened on the last allowable date pursuant to section 75-140 of the Insolvency Practice (Corporations) Rules, the Administrators considered that it was necessary that the Reconvened Second Meeting be further adjourned to allow adequate time to consider and make a recommendation to creditors on the Realtek Proposal, and for the creditors to consider the proposal and the Administrators' advice / recommendation.
- Accordingly, the Administrators made an urgent application to the FCA pursuant to section 447A of the Act, that the operation of the section 75-140 of the Rules be modified to allow a further adjournment of the Reconvened Second Meeting.
- The matter was heard at 9:00am AWST on 25 February 2025. The FCA made orders (amongst other things) that allow an adjournment of the Reconvened Second Meeting to a day no later than 28 February 2025.
- The FCA Order also gave the Administrators the right to seek the leave of the Court at short notice for a further extension of the date of the Reconvened Second Meetings beyond 28 February 2025.
- The FCA Order also required Realtek to pay an amount of \$474,733 plus applicable GST on account of the Administrators' estimated costs and expenses of continuing to operate the business of NUH once the current funding provided by the Shareholder Syndicate was exhausted by the end of February 2025. This amount was to be paid by Realtek by 5:00pm on 26 February 2025, however, was extended by mutual consent to 5:00pm 27 February 2025 to allow for the logistical difficulties of such a transfer by Realtek which is based in Taiwan.
- The funds referred above was paid into the Administrators solicitors' trust account on 27 February 2025 and remain there as at the date of this Report.

For completeness, we note that the position above was outlined in our Circular to Creditors dated 26 February 2025.

2.9 2nd Reconvened Second Meetings of Creditors – 28 February 2025

The Reconvened Second Meeting of Creditors was held on 28 February 2025 and was adjourned to a date no later than Monday, 17 March 2025, for the reasons outlined below:

- Following receipt of the aforementioned funds from Realtek the Administrators' sought and obtained orders from the FCA on 27 February 2025 afternoon permitting the Administrators to adjourn this meeting until a date no later than Monday, 17 March 2025.
- This additional time was sought to allow for the Administrators to compare the DOCA proposals received from Realtek and the Shareholders' Committee (now revised Orecchio DOCA) and provide a recommendation to creditors regarding the future of the Group at the reconvened meetings.

For completeness, we note that the position above was outlined in our Circular to Creditors dated 28 February 2025.

2.10 3rd Reconvened Second Meetings of Creditors - to be held on 17 March 2025

Having regard to the FCA Order dated 27 February 2025 and pursuant to section 439A of the Act, the 3rd Reconvened Second Meeting of Creditors has now been convened for **17 March 2025 at the offices of KPMG, Level 8, 235 St Georges Terrace, PERTH WA 6000 at 11:30am AWST.**

At the 3rd Reconvened Second Meeting of Creditors, creditors will decide the individual companies' future by voting on one of the following options:

- that the administrations should end (in this case control of the individual company will revert to its directors); or
- that the companies should be wound up; or
- that the companies execute a DOCA.

The Notice of Reconvened Concurrent Meeting of Creditors is attached (**Annexure B**) along with an Appointment of Proxy Form (**Annexure G1**) and a Proof of Debt or Claim Form (**Annexure G3**).

The Administrators intend to hold the meeting concurrently. All creditors are entitled to attend the 3rd Reconvened Second Meeting of Creditors. Creditors who wish to participate in the meeting must complete and submit the following forms to this office by 4:00pm on Friday, 14 March 2025.

A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Administrators before the meeting. All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Group or any lien over goods in their possession which are the property of the Group. If you have previously lodged a claim you are not required to resubmit this information, unless you wish to alter your claim.

Form/ voting	Where to submit
Appointment of Proxy - (Form 532) Creditors of NUH - (Annexure G1.1) Creditors of NUH IP - (Annexure G1.2) Creditors of Terrace Gold - (Annexure G1.3)	Email: nuheara@kpmg.com.au Post: GPO Box A29, PERTH WA 6837
COI Nomination Form (only applicable for liquidation) (Annexure G2)	
Proof of Debt - (Form 535)	Via Creditors' Portal https://creditors.accountants/

For creditors who are unable to attend the meeting, a conference call facility will be available.

Should you wish to attend the meeting via teleconference, please contact KPMG by email at nuheara@kpmg.com.au or by telephone to 08 9263 7287 at least one business day prior to the meeting to advise that you will be using the online facilities and to be provided with the Microsoft Teams' link.

2.11 Remuneration

An Administrator's remuneration can only be fixed by resolution of the Group's creditors, or by application to the Court. In accordance with IPR 70-35 and the Code, an Initial Remuneration Notice was provided to creditors with our initial communication and tabled at the First Meeting of Creditors.

ARITA has issued an "Approving remuneration in external administrations" information sheet providing general information for creditors on the approval of an administrator's fees in a liquidation, a voluntary administration or a DOCA. This information sheet is available from the ARITA website (www.arita.com.au).

A summary of the remuneration we will be seeking approval for, at the 3rd Reconvened Second Meeting of Creditors is as follows:

	NUH	NUH IP	Terrace Gold	Total \$ (excl GST)
Remuneration to be approved at 3rd Reconvened Second Meeting of Creditors				
Voluntary Administration – 7 August 2024 to 28 February 2025	1,206,422	5,447	6,422	1,218,291
Voluntary Administration - 1 March 2025 to 17 March 2025	150,000	15,000	15,000	180,000
Voluntary Administration – 18 March 2025 to the execution of the DOCA	50,000	25,000	25,000	100,000
Estimated total remuneration – Voluntary Administration	1,406,422	45,447	46,422	1,498,291
DOCA (if applicable) - Commencement to completion	75,000	20,000	20,000	115,000
Estimated total remuneration - DOCA	75,000	20,000	20,000	115,000

	NUH	NUH IP	Terrace Gold	Total \$ (excl GST)
Creditor's Trust (if applicable) – Commencement to completion	130,000 (combined)			130,000
Estimated total remuneration - Creditor's Trust	130,000 (combined)			130,000
Liquidation (if applicable) – Commencement to completion	200,000	30,000	30,000	260,000
Estimated total remuneration - Liquidation	200,000	30,000	30,000	260,000

Please refer to our Remuneration Approval Request dated 7 March 2025 at **Annexure C** for details of the key tasks undertaken throughout the course of the administration to date.

2.12 Non-disclosure of certain information

There are Sections of this Report where we have considered it inappropriate to disclose certain information to creditors. Such information may include:

- valuations of specific assets
- valuation of the business
- details of offers received during the sale process
- commercially sensitive prospective financial information (for example, projections / forecasts)

We recognise the need, so far as is possible, to provide creditors with complete disclosure of all necessary information relating to the Group. However, we believe this information is commercially sensitive and it is not in creditors' interests for us to disclose the information publicly at this stage.

Where necessary in this Report, we provide a combined figure for potential realisations of assets when comparing estimated dividends under the relevant options.

3 Company information

Please refer to the Administrator's Report dated 10 December 2024 for details regarding the Group's history, statutory information and the Directors' decision to appoint the Administrators.

4 Historical financial position

Please refer to the Administrator's Report dated 10 December 2024 for details regarding the Group's historical financial information which incorporates historical profit and loss result and balance sheets.

5 Report on company activities and property and Director's reasons for failure

Please refer to the Administrators' Report dated 10 December 2024 for our detailed summary of the Company's business property, affairs and financial circumstances as well as the Administrators' estimated realisable values of the Companies' assets and liabilities.

Details as to the ROCAP and Administrators estimated realisable values of assets and liabilities of the Company was presented in **Section 5** of the aforementioned report.

Since our Administrators' Report, we provide the following update:

- Realtek have submitted a POD in the amount of \$2.69M, which comprises \$2.5M principal plus \$186K interest and costs. This compares to a book value of \$2.5M.
- As outlined at Section 5.1.8 of the Administrators' Report, the Administrators had received 24 proofs of debt totalling (\$3.3M). As at the date of this report, the Administrators have now received 27 proofs of debt from unsecured creditors totalling (\$3.96M). A summary of the estimated unsecured creditor position is tabled below:

\$'000	Directors' ERV	Administrators' ERV
Trade creditors	(1,366)	(4,560.7)
Statutory creditors	(497)	(66.4)
Related party creditors	(21)	(21)
Excluded Employee	-	(518)
Total	(1,884)	(4,827.8)

6 The Administration to date and sale of business process

6.1 Update from the Administrators

Since issuance of our Supplementary Report to Creditors dated 17 February 2025, the Administrators' have attended to the following key tasks:

- Continued all trading activities and employment of staff of NUH.
- Obtained leave of the FCA under section 442C(2)(c) of the Act on 21 February 2025 or the sale of the assets subject to Realtek security to give effect to the Orecchio DOCA.
- Made applications to the FCA pursuant to section 447A of the Act that the operation of the section 75-140 of the Rules be modified to allow a further adjournment of the Reconvened Second Meetings, with the matter heard on 25 February 2025 and 27 February 2025.
- Preparation and holding the 1st Reconvened Second Meeting and Eligible Employee Meeting on 25 February 2025.
- Preparation and holding the 2nd Reconvened Second Meeting and Reconvened Eligible Employee Meeting on 28 February 2025.
- Preparing and drafting minutes of meeting.
- Writing to creditors advising of the outcome of the 1st and 2nd Reconvened Second Meetings.
- Preparing this Second Supplementary Report to Creditors dated 7 March 2025.
- Attending to creditor queries.
- Updating cashflow forecasts and estimated statements of position.
- Maintaining and updating the Administrators' accounting system and receipts and payments.
- Liaising with the Administrators' legal advisers and negotiation with the Shareholders Committee and Realtek regarding their respective DOCA proposals and associated documentation including Asset Sale Agreements.
- Made an application to the FCA for approval of the funding agreements entered into with the Shareholders Syndicate (up to 28 February 2025) and Realtek (for March 2025) with the matter listed for hearing on 12 March 2025.
- Attended to all statutory obligations consistent with our appointment.

6.2 The sale of business process

Please refer to the Administrator's Supplementary Report to Creditors dated 17 February 2025 for further information on the sale of business process.

6.3 Administrators' proposed application to Court on Funding Agreements

In the Administrator's Supplementary Report to Creditors dated 17 February 2025, we noted that having regard to the above and given the Companies' lack of working capital position, we engaged with the Shareholders Committee and entered into the VA Loan Funding arrangement with members of the Shareholders Committee in mid-November 2024 to which they have provided funding to date of approximately circa \$250k a month, for the period 1 November 2024 to 28 February 2025.

To date, they have advanced funds totalling \$1,131,748 before interest and costs.

At the time when the Reconvened Second Meeting was convened for 25 February 2025 to decide the Group future, there was no funding guaranteed under the Syndicate Funding Agreement beyond the end of February 2025.

On 19 February 2025, we wrote to the Syndicate and requested that it consider providing further funding to allow the Companies to trade to end March 2025, which we estimated to be in the order of \$250K.

When Realtek sent us the Realtek Proposal on Monday, 24 February 2025, we advised Realtek that it should providing interim funding pending the convening of the Meeting that would be held to discuss the Realtek Proposal and the Orecchio Proposal. We had anticipated that it will take time for any arrangements to be documented, and we had informed them that the funding currently available to the Administrators provided by the shareholder syndicate will be exhausted by the end of February and that the Administrators were not in a position to trade the business beyond that date.

On 25 February 2025, the FCA heard our application to extend the date to hold the meetings and made Orders that required Realtek to pay an amount of \$474,733 plus applicable GST on account of the Administrators' estimated costs and expenses of continuing to operate the business of NUH once the current funding exhausted by the end of February 2025. As noted above this amount has now been paid into the Administrators' solicitors' trust account and remains there.

As result of the payment of these moneys, the Administrators are seeking to enter into a funding agreement with Realtek. Realtek has agreed that of the amount paid into the Administrators' trust account, except for an amount of \$220K the balance can be applied by the Administrators for funding the expenses of their administration until the meetings are held on 17 March 2025. There remains a disagreement concerning the priority of the balance of \$220K.

In this regard, we have applied for orders and declarations pursuant to section 447A of the Act and section 90-15 of the Insolvency Practice Schedule, for approval of entry into the agreement and the right of the Administrators to access the sum of \$220K which we have referred to. Further, the Administrators also intend to seek an order approving the entry into the earlier funding agreement with the Shareholder's Syndicate, and to indemnify the Administrators in the usual manner.

A declaration relating to the priority of debts arising from the funding agreements is also intended to be sought.

The matter has been listed for hearing at Federal Court of Australia on Wednesday, 12 March 2025 at 11.45am (WA time). Copies of the Originating Process and the affidavit sworn in support of the application is available on the website maintained by KPMG for the administration.

We anticipate that both Orecchio and Realtek will wish to put submissions to the Court concerning the orders sought by the Administrators at this hearing. Other creditors are not required to take any action in relation to this application. However, if you either support, do not object to, or alternatively oppose the Administrators' application set out above, please inform us via email at nuheara@kpmg.com.au, as soon as possible and these responses will be brought to the Court's attention.

Creditors may be entitled to appear at the hearing to put forward their views to the Court. If you intend to do so (in which case you should seek your own legal advice), please let us know as soon as possible.

6.4 Asset Sale Agreement (ASA)

The DOCA proposals received from Orecchio and Realtek both contemplate the sale of NUH's business and assets by way of an ASA. The key terms (or differences) between each of these agreements is tabled below:

Details	Realtek ASA	Orecchio ASA
What is the status of the agreement?	At the time of writing, the terms of the proposed ASA is substantially agreed and is expected to be executed prior to the 3 rd Reconvened Second Meeting of Creditors on 17 March 2025.	The agreement was executed on 20 February 2025.
What is the consideration payable	Realtek will forgive their existing secured claim against NUH in exchange for the business and assets of NUH. As outlined at section 5 of this report, Realtek have submitted a POD in the amount of \$2.69M.	In exchange for the discharge of Realtek's registered security over the assets in accordance with the FCA Orders made on 21 February 2025, under section 442C of the Act, it will purchase the encumbered assets for \$500k which is to be paid directly to Realtek which is a condition of the FCA order under which the Administrators were granted leave to dispose of the assets and business. Realtek's lawyers have today challenged our ability to rely on that Court order in relation to the revised proposal. That matter remains unresolved as at the date of this report. We will seek a further order to put this beyond doubt in the next Court hearing on 12 March 2025.
What is being sold?	The business and assets of NUH as a going concern sale, including the shares of NUH IP and NUH Inc.	The business and assets of NUH as a going concern sale, including the shares of NUH IP, NUH Inc.

Details**Realtek ASA****Orecchio ASA****What happens to employees and their entitlements?**

Realtek must offer an interview to current staff and must offer employment to staff who accept an interview.

Employees who have previously resigned, or employees who do not accept an interview and receive no offer of employment and will be terminated, will be paid out in full under the Realtek DOCA.

Orecchio must procure the employment of at least 80% of non-administrative staff to complete the DOCA / ASA.

Offers of employment on the same terms of their current contract must be made to all current staff of NUH and existing employee entitlements will transfer in full without reduction. Staff who choose not to accept the offer of employment will be terminated.

Employees who have previously resigned or are terminated under the DOCA will be paid out their employee entitlements in full from the proposed Creditors Trust.

What happens to the Excluded Employee?

In the case of NUH, there is only one (1) current excluded employee, being the Managing Director of NUH, Mr Justin Miller.

Unless an offer of employment is made, under the Realtek DOCA, employee entitlements are paid out in accordance with sections 556(1), 560 and 561 of the Act. Therefore, his employee entitlements will be capped at \$3.5K.

The balance of Mr Millers claim will be unsecured and will be paid out at a rate of 21.1c/\$.

Under the terms of the ASA as proposed, the Excluded Employee will be offered continuity of employment with the DOCA proponent.

If the offer of employment is rejected, then Mr Miller's entitlements will be paid out in accordance with sections 556(1), 560 and 561 of the Act. Therefore, his employee entitlements will be capped at \$3.5K. The balance of Mr Millers claim will be unsecured and will be paid out at a rate of no less than 20c/\$.

7 Proposal for DOCA/s

During the course of the Administration, we have received two DOCA proposals, one from Orecchio and one from Realtek. The terms of each of these DOCA proposals are summarised herein.

	Key takeaways	Ref.
1	<p>We have received a DOCA proposal from Orecchio, an SPV on behalf of a group of shareholders of NUH which entails the following:</p> <ul style="list-style-type: none"> • provides that Orecchio will purchase the business assets of NUH for the amount of \$500K which is to be paid to Realtek; • is conditional on the security held by Realtek being discharged in order to facilitate that transaction. This has now been satisfied by way of Court Order pursuant to Section 442C of the Act (The Court granted leave to dispose of the Assets and Business to effect an earlier version of the DOCA proposal on 21 February 2025 under s442C of the Act. Realtek's lawyers have today challenged our ability to rely on that Court order in relation to the revised proposal. That matter remains unresolved as at the date of this Report. We will seek a further order to put this beyond doubt in the next Court hearing on 12 March 2025); • offers continuation of employment to all of NUH's current employees in Orecchio, or otherwise payment of all termination and accrued employee entitlements in full; • Orecchio must procure the employment of at least 80% of non-administrative staff, in order for the DOCA / ASA to complete. • if the Excluded Employee rejects an offer of employment, then, the priority claim is capped at \$3.5K pursuant to section 556 of the Act. The balance of the Excluded Employees' claim is an unsecured claim and will be paid out at no less than 20c/\$; • provides funding for payment of the Administrators' fees and costs and the repayment of the post-appointment Administrators' VA Loan Funding; and • provides funding for the purpose of a dividend to unsecured creditors of the Group of no less than 20c/\$, and a further uplift payment of an additional dividend limited to 30c/\$, contingent upon a sale of the business or as future financial performance allows after the return of debt and capital by 30 June 2026. • it commits to trade the business it acquires under the ASA and to employ the staff to whom it makes offers of employment and which are accepted for a period of at least 6 months from the commencement date unless sold and to utilise the goods and services of supplier non-priority unsecured creditors wherever practicable in the course of such trading. 	7.2
2	<p>We have received a DOCA proposal from the Secured Creditor of Nuheara, Realtek, which entails the following:</p> <ul style="list-style-type: none"> • provides that an Australian incorporated SPV will purchase the business assets of NUH in exchange for their secured claim against NUH, which currently totals \$2.5M plus interest and costs; • Realtek must offer an interview to all current staff, and offer employment to those employees who accept an interview on terms and conditions no less favourable; • subject to staff not accepting an interview and therefore not receiving an offer of employment, or receiving an offer of employment but not accepting it, provides for payment of all employee entitlements in accordance with section 556 of the Act, whereby all employees are paid out in full. The exception being for the Excluded Employee whose priority claim is capped pursuant to section 556 of the Act at \$3.5K. The balance of the Excluded Employees claim is unsecured and will be paid out at 21.1c/\$; • provides funding for payment of the Administrators' fees and costs and the repayment of the post-appointment Administrators' VA Loan Funding; and • provides funding for the purpose of a dividend to unsecured creditors of the Group at 21.1c/\$. 	7.2
3	<p>The purpose of each respective DOCA is to provide a fund which will enable a distribution to the creditors of the Group, facilitating a cleansing of their respective balance sheets, and allowing the Group to realise its business as a going concern, free of encumbrances. Each prospective DOCA includes an ASA being entered into under which the assets of the business of the Group are sold to the respective SPV.</p>	7.2

Key takeaways	Ref.															
<p>Following payment of the Deed Contribution to the Group, the Realtek DOCA will pay all employee entitlements except for transferring employees who's entitlements will transfer, a dividend to participating unsecured creditors under the DOCA, and with the prospect of new employment being offered subject to accepting an interview and therefore receiving and accepting an offer.</p> <p>Under the Orecchio DOCA, a Creditors' Trust will be established. The creditors of the Company will be transferred to the Creditors' Trust, along with the Trust Fund. Participating creditors will then receive a distribution in their capacity as beneficiaries of the Creditors' Trust in accordance with the terms of the Creditors' Trust Deed and DOCA.</p> <p>The Orecchio DOCA will offer employment to all current employees of NUH consistent with their present employment terms and unless 80% non-administrative employees accept the offer the DOCA/ASA will not complete. This provides greater certainty of continuation of the business and therefore their employment. Further, Orecchio undertakes to fund the ongoing trading for an initial period of 6 months.</p>																
<p>4 Realtek has provided funding pursuant to an FCA Order to fund NUH to trade for March 2025. In addition, Realtek paid \$200K plus GST for Administrators and Legal fees for this period, a total of \$474K plus GST (Realtek Loan Funding).</p> <p>This funding has been provided in addition to the VA Loan Funding advanced by members of the Shareholder Syndicate.</p> <p>The Administrators have made a further application to the FCA seeking orders to deal with the terms of the Realtek Loan Funding as well as the priorities afforded to both the VA Loan Funding and the Realtek Loan Funding.</p>	7.2															
<p>5 The anticipated return to creditors/beneficiaries will be:</p> <table border="1" data-bbox="279 963 1300 1921"> <thead> <tr> <th data-bbox="279 963 606 1075">Creditor class</th> <th data-bbox="606 963 925 1075">Realtek DOCA Estimated dividend rate (c/\$)</th> <th data-bbox="925 963 1300 1075">Orecchio DOCA Estimated dividend rate (c/\$)</th> </tr> </thead> <tbody> <tr> <td data-bbox="279 1075 606 1344">Secured creditor (Realtek)</td> <td data-bbox="606 1075 925 1344">Realtek's nominated SPV is the Proponent under this option. As consideration for acquisition of the business assets under the ASA, Realtek forgives repayment of the secured debt of approx. \$2.6M</td> <td data-bbox="925 1075 1300 1344">\$500k</td> </tr> <tr> <td data-bbox="279 1344 606 1400">Priority employee creditors</td> <td data-bbox="606 1344 925 1400">100c/\$</td> <td data-bbox="925 1344 1300 1400">100c/\$</td> </tr> <tr> <td data-bbox="279 1400 606 1534">Excluded employee</td> <td data-bbox="606 1400 925 1534">100c/\$ if continuing, or \$3.5K plus no less than 21.1c/\$ on the balance of the claim if not continuing.</td> <td data-bbox="925 1400 1300 1534">100c/\$ if continuing, or \$3.5K plus no less than 20c/\$ on the balance of the claim if not continuing.</td> </tr> <tr> <td data-bbox="279 1534 606 1921">Unsecured creditors</td> <td data-bbox="606 1534 925 1921">21.1c/\$</td> <td data-bbox="925 1534 1300 1921">Initial dividend of no less than 20c/\$. Further uplift payment of an additional dividend limited to 30c/\$, contingent upon a sale of the business or as future financial performance allows after the return of debt and capital by 30 June 2026.* To the fullest extent practicable, using goods and services supplied by the Participating Creditors.</td> </tr> </tbody> </table>	Creditor class	Realtek DOCA Estimated dividend rate (c/\$)	Orecchio DOCA Estimated dividend rate (c/\$)	Secured creditor (Realtek)	Realtek's nominated SPV is the Proponent under this option. As consideration for acquisition of the business assets under the ASA, Realtek forgives repayment of the secured debt of approx. \$2.6M	\$500k	Priority employee creditors	100c/\$	100c/\$	Excluded employee	100c/\$ if continuing, or \$3.5K plus no less than 21.1c/\$ on the balance of the claim if not continuing.	100c/\$ if continuing, or \$3.5K plus no less than 20c/\$ on the balance of the claim if not continuing.	Unsecured creditors	21.1c/\$	Initial dividend of no less than 20c/\$. Further uplift payment of an additional dividend limited to 30c/\$, contingent upon a sale of the business or as future financial performance allows after the return of debt and capital by 30 June 2026.* To the fullest extent practicable, using goods and services supplied by the Participating Creditors.	7.1
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Key takeaways	Ref.
	By the business continuing to trade under Orecchio, this may produce future economic benefits to existing suppliers and contractors.

7.1 DOCA Proposals received

At the time of writing, we have received the following DOCA Proposals:

- a DOCA proposal from a group of shareholders of NUH (via their solicitors) on 7 February 2025 and was subsequently varied on 17 February 2025. This proposal has been superseded by a further DOCA proposal by Orecchio Pty Ltd, the SPV nominated by the shareholder group as the proponent for this DOCA proposal and was received on 6 March 2025 (referred to as the Orecchio DOCA).
- a DOCA proposal from the Secured Creditor of NUH, Realtek, (via their solicitors) on 24 February 2025 and was subsequently varied on 28 February 2025 (referred to as the Realtek DOCA).

We enclose at **Annexure F1 & F2** of this Report, a copy of the proposals received.

At the date of this Report, the DOCAs are being drafted but not yet in a form where its sufficiently progressed for creditor's consideration. Once copies of the full draft DOCAs and the full draft Creditors Trust Deed (as it relates to the Orecchio DOCA) are finalised, they will be made available to creditors prior to the 3rd Reconvened Second Meeting of Creditors scheduled for 17 March 2025 and they will be made available for inspection on the KPMG website (<https://kpmg.com/au/en/home/creditors/nuheara.html>)

For completeness, we also note that we consider both DOCA proposals comply with section 25.6.6 of the Code.

7.2 Comparison of the key features of the proposal received

The proposed DOCAs includes the following key features:

Key element	Realtek DOCA	Orecchio DOCA
DOCA Proponent	Realtek will nominate an Australian based entity (Realtek SPV) to acquire NUH's business and assets. Realtek being a company incorporated in Taiwan, Republic of China are not a party to the DOCA but have agreed to enter into a guarantee for the obligations of the Realtek SPV. Realtek will also submit a sum of \$5M into their lawyer's trust account prior to the meeting which will be paid to the Administrators' should creditors vote in favour of the Realtek DOCA.	Orecchio Pty Ltd - being a Special Purpose Vehicle nominated by the Shareholder Committee. We confirm that we have received letters of financial support from each of the shareholders of Orecchio Pty Ltd confirming that they will fund the obligations contained within the Orecchio DOCA.
Deed Administrators	The Deed Administrators are to be Martin Jones, Matthew Woods and Clint Joseph of KPMG, who will have extensive powers to administer the DOCA and the Creditors' Trust.	
Purpose of the DOCA proposal	The purpose of the DOCA is to provide a potentially better return to creditors of the Group under the DOCA, than an insolvent winding up of the Group. The Orecchio DOCA also contemplates a continuation of the business by offering employment to all current employees, and a commitment to fund working capital for an initial period of 6 months.	

Key element	Realtek DOCA	Orecchio DOCA
Continuity of business	<p>Realtek acquires the assets and business of NUH.</p> <p>Under the Realtek DOCA/ASA, the proponent must offer in writing to employ each current employee who has agreed to be interviewed on terms no less favourable than their current employment agreement.</p> <p>Therefore, it is uncertain whether the business will continue to trade as usual.</p>	<p>Provides for a continuation of business using assets acquired under the ASA, and by being required to employ not less than 80% of non-administrative employees otherwise the DOCA/ASA does not complete.</p> <p>To the fullest extent practicable it has committed to using goods and services supplied by the creditors of the business.</p> <p>As outlined above, there is a commitment to fund working capital for an initial period of 6 months.</p>
Parties bound by the DOCA	<p>All secured, unsecured and employee creditors of the Group, the DOCA Proponent and the Deed Administrators. The Group consisting of:</p> <ul style="list-style-type: none"> • Nuheara Limited • Nuheara IP Pty Ltd • Terrace Gold Pty Ltd 	
Commencement date / Conditions Precedent to the DOCA	<p>The DOCA commencement date occurs following:</p> <ul style="list-style-type: none"> • Approval by creditors of the DOCA proposal and subsidiary DOCA at a meeting of creditors. • Execution of the DOCA and subsidiary DOCA/s. 	<p>The DOCA commencement date occurs following:</p> <ul style="list-style-type: none"> • Approval by creditors of the DOCA proposal and subsidiary DOCA at a meeting of creditors. • Obtaining consent or an Order pursuant to section 442C of the Act, releasing Realtek's security, and allowing for a sale of the Company's assets. We consider that this condition has been satisfied by way of FCA Order dated 21 February 2025 pursuant to section 442C of the Act. Realtek's lawyers have today challenged our ability to rely on that Court order in relation to the revised proposal. That matter remains unresolved as at the date of this Report. We will seek a further order to put this beyond doubt in the next Court hearing on 12 March 2025. • Execution of the DOCA and subsidiary DOCA/s.

Key element	Realtek DOCA	Orecchio DOCA
Conditions Precedent to completion / effectuation	<p>The DOCA contemplates the following conditions precedent to completion and effectuation of the DOCA:</p> <ul style="list-style-type: none"> • Execution and completion of any relevant conditions' precedent of the ASA as proposed by the DOCA Proponent. • Receipt of the Deed Contribution from the DOCA Proponent. • Payment of the Deed Contribution and dividend as contemplated under the DOCA. <p>Upon effectuation of the DOCA, it is anticipated that the corporate shell of NUH will be wound up and subsequently deregistered by the ASIC. The Deed Administrators will become the Liquidators of each Group entity.</p>	<p>The DOCA contemplates the following conditions precedent to completion and effectuation of the DOCA:</p> <ul style="list-style-type: none"> • Execution and completion of any relevant conditions' precedent of the ASA as proposed by the DOCA Proponent. • Receipt of the Deed Contribution from the DOCA Proponent. • The Establishment of a Creditors' Trust • Payment of the Deed Contribution and dividend as contemplated under the DOCA, this includes payment to the Secured Creditor. <p>Upon effectuation of the DOCA, the corporate shell of NUH will be wound up by 30 June 2025 and subsequently deregistered by the ASIC. The Deed Administrators will become the Liquidators of each Group entity.</p>
Creditors' Trust and constitution of Trust Fund	Not applicable.	<p>Upon receipt of the Deed Contribution, a creditors' trust will be established known as the "Nuheara Group Creditors' Trust", and the Deed Administrators will become the trustees of the Creditors' Trust and the Deed Fund will constitute the Trust Fund.</p> <p>The Trust Fund will comprise amounts payable to employees (to the extent applicable) and unsecured creditors of the Group, other than Excluded Creditors.</p> <p>Claims in the DOCA will be extinguished as against the Group and converted into an entitlement to claim against the Trust Fund.</p> <p>The Deed Fund will constitute the Trust Fund which the Trustees will distribute to pay the admitted claims.</p> <p>Further detail with respect to the Creditors' Trust is outlined in Section 8 below.</p>

Key element	Realtek DOCA	Orecchio DOCA																																
Deed Contributions	<p>Under the terms of the proposed DOCA, Realtek will make the following contributions:</p> <table border="1"> <thead> <tr> <th>Deed Contribution</th> <th>Amount \$</th> </tr> </thead> <tbody> <tr> <td>Priority Administration Costs (net of Administrators' Balance)</td> <td>1,327,402</td> </tr> <tr> <td>Repayment of VA Loan Funding</td> <td>1,395,775</td> </tr> <tr> <td>Unsecured Creditor Contribution (at 21.1c/\$)</td> <td>1,018,672</td> </tr> <tr> <td>Employee Entitlements (assume no employee transfer i.e. maximum amount)</td> <td>845,258</td> </tr> <tr> <td>Deed Contribution</td> <td>4,587,606</td> </tr> <tr> <td>Realtek Funding</td> <td>277,480</td> </tr> <tr> <td>Deed Contribution</td> <td>4,865,086</td> </tr> </tbody> </table> <p>The Administrators' have written to Realtek, requesting that the Deed Contribution plus a contingency amount is paid into escrow before 17 March 2025. The total funds payable into escrow totals \$5M.</p> <p>Realtek's solicitors have confirmed that Realtek agrees to this arrangement concerning the payment of the \$5M and we will seek conformation of that before the meeting of creditors.</p> <p>The Administrators note that:</p> <ul style="list-style-type: none"> • Realtek will acquire the business and assets under the ASA, in exchange for their secured debt of \$2.5M plus interest and costs. • The dividend to arms-length participating unsecured creditors of the Group, will be paid in the amount of 21.1c/\$. • All non-transferring employees will be paid out in accordance with section 556 of the Act. • The Excluded Employee's priority claim will be capped at \$3.5K, with the balance of the claim being unsecured, and therefore entitled to a 21.1c/\$ return. 	Deed Contribution	Amount \$	Priority Administration Costs (net of Administrators' Balance)	1,327,402	Repayment of VA Loan Funding	1,395,775	Unsecured Creditor Contribution (at 21.1c/\$)	1,018,672	Employee Entitlements (assume no employee transfer i.e. maximum amount)	845,258	Deed Contribution	4,587,606	Realtek Funding	277,480	Deed Contribution	4,865,086	<p>Under the terms of the proposed DOCA, Orecchio will make the following contributions:</p> <table border="1"> <thead> <tr> <th>Deed Contribution</th> <th>Amount \$</th> </tr> </thead> <tbody> <tr> <td>Payment pursuant to ASA (for the Secured Creditor)</td> <td>500,000</td> </tr> <tr> <td>Priority Administration Costs (net of Administrators' Balance)</td> <td>1,457,402</td> </tr> <tr> <td>Repayment of VA Loan Funding</td> <td>1,395,775</td> </tr> <tr> <td>Realtek Funding</td> <td>277,480</td> </tr> <tr> <td>Unsecured Creditor Contribution (no less than 20c/\$)</td> <td>876,528</td> </tr> <tr> <td>Employee Entitlements (assume all employees transfer)</td> <td>152,221</td> </tr> <tr> <td>Deed Contribution</td> <td>4,659,406</td> </tr> </tbody> </table> <p>The Deed Contribution will be payable the later of:</p> <ul style="list-style-type: none"> • The Commencement Date; or • 14 days from the Deed Administrators informing the Proponent of their reasonable estimate of the net amount required to satisfy the obligations under the DOCA. <p>The Administrators note that:</p> <ul style="list-style-type: none"> • We have received evidence from each of the shareholders of Orecchio, to our satisfaction that funds are available to meet the Deed Contribution. • \$500K consideration payable from the ASA will be paid to NUH and remitted to the Secured Creditor, to facilitate the release of their security interest from the PPSR over NUH and in full and final satisfaction for any amounts outstanding to Realtek. • The dividend to arms-length participating unsecured creditors of the Group, will be paid to the Trust of no less than 20c/\$. • Any employee creditors who do not take up an offer of employment, will be terminated by NUH, and accordingly, may claim in the Creditors' Trust for outstanding entitlements. Therefore, the final employee entitlements payable under the Deed Contribution is yet to be confirmed and may be higher than \$152k as estimated. 	Deed Contribution	Amount \$	Payment pursuant to ASA (for the Secured Creditor)	500,000	Priority Administration Costs (net of Administrators' Balance)	1,457,402	Repayment of VA Loan Funding	1,395,775	Realtek Funding	277,480	Unsecured Creditor Contribution (no less than 20c/\$)	876,528	Employee Entitlements (assume all employees transfer)	152,221	Deed Contribution	4,659,406
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Key element	Realtek DOCA	Orecchio DOCA
VA Loan Funding & Realtek Funding	<p>Realtek's DOCA considers repayment of the VA Loan Funding provided by the Shareholder Syndicate.</p> <p>As outlined earlier in this report, Realtek has also advanced \$474K pursuant to the conditions of the FCA Order into Thomson Geers' Trust account. This advance is for the purposes of funding the NUH business for March 2025, and to cover the Administrators' additional fees and legal fees incurred.</p> <p>As previously noted, the Administrators have a hearing at the FCA on 12 March 2025 to address the statutory priorities for funds advanced by Realtek.</p>	<p>The DOCA proposal provides for a payment of a further \$570K to facilitate continuation of trading activities up to 28 February 2025 and for legal fees to facilitate the preparation of legal documents related to the proposed transaction.</p> <p>The DOCA provides for repayment of the VA Loan Funding provided by the Shareholder Syndicate.</p> <p>Orecchio's DOCA commits to funding the DOCA Proponent for a period of 6 months following commencement of the DOCA and the continued trading of the business including the employment of staff.</p>
Dividends and order of distribution	<p>The Deed Fund will be distributed as follows:</p> <ul style="list-style-type: none"> • Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration; • Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration; • Thirdly, in the case of employees who are not employed by the DOCA Proponent, payment of entitlements that would, in a liquidation, be accorded a priority under section 556(1), 560 and 561 of the Corporations Act, including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and • Fourthly, in payment of a dividend to arm's length non-priority unsecured creditors of 21.1c/\$. 	<p>The Deed Fund will be distributed as follows:</p> <ul style="list-style-type: none"> • Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration; • Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration; • Thirdly, in the case of employees who are not employed by the DOCA Proponent, payment of entitlements that would, in a liquidation, be accorded a priority under section 556(1), 560 and 561 of the Corporations Act, including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and • Fourthly, in payment of a dividend to arm's length non-priority unsecured creditors of no less than 20c/\$.
Excluded Creditors	<p>Excluded Creditors mean:</p> <ul style="list-style-type: none"> • Inter-Company Creditors who will not be participating in the DOCA and Creditors' Trust. • The Secured Creditor, Realtek, who will not claim for their secured claim of \$2.5M plus interest and costs. • Employees who transfer to the DOCA Proponent, to the extent that their employee entitlements are not due and payable as at the date of our appointment as Administrators. 	<p>Excluded Creditors mean:</p> <ul style="list-style-type: none"> • Inter-Company Creditors who will not be participating in the DOCA and Creditors' Trust. • The Secured Creditor, Realtek, who will be paid \$500K from the proceeds of the ASA, and who will not be entitled to claim for the balance of their claim for any unsecured amounts. • Employees who transfer to the DOCA Proponent, to the extent that their employee entitlements are not due and payable as at the date of our appointment as Administrators.
Committee of Inspection	The DOCA does not contemplate the establishment of a COI.	

Key element	Realtek DOCA	Orecchio DOCA
Administrators' indemnity	The Administrators are entitled to be indemnified out of, and have a lien over, the Deed Fund for their remuneration, costs and expenses for work done in the performance of their duties in relation to the Group.	
Release	All employee and unsecured claims against the Group will be automatically released following effectuation of the DOCA and converted into an entitlement to claim against the Trust Fund.	
Termination	The DOCA will include standard terms providing for termination of the DOCA as determined to be appropriate by the administrators. The DOCA may also be terminated on grounds as provided for in the Corporations Act.	
Management of the Company	The Deed Administrators will continue to be in control the Group during the DOCA period.	The Deed Administrators will continue to be in control the Group during the period of transition from DOCA to Creditors Trust.
Monitoring / reporting requirements	Monitoring / reporting requirements is a commitment of the Deed Administrators. The Deed Administrators' will communicate to creditors in accordance with the terms of the DOCA and as required under statute.	
Moratorium period	Subject to any leave granted under section 444E of the Act, unsecured creditors of the Group and the Secured Creditor of NUH voting in favour of the DOCA will remain subject to a moratorium whilst the Group remains subject to any DOCA and will not be able to enforce or otherwise take any action against the Group other than as authorised under the DOCA.	
General	The DOCA will incorporate the necessary content and mechanics to give effect to the DOCA proposal, including standard boilerplate clauses found in a DOCA of this type. Section 440D will apply while the DOCA is on foot. Nothing in the DOCA shall limit the operation of section 445D and section 445E of the Act.	
Prescribed Provisions	Except for regulation 11, the terms and conditions contained in Schedule 8A to the Regulations will otherwise be incorporated into the DOCA.	
Priority to eligible employee creditors	The DOCA will contain a provision as contemplated by section 444DA of the Act.	
Governing law	Western Australia	

7.3 Related parties – intercompany loans

Under both DOCAs, intercompany loans between the Group will not be allowed to claim for dividend purposes and would be extinguished.

7.4 Position of employee claims

The terms of Orecchio DOCA and Realtek DOCA give priority to eligible employee creditors by providing that the DOCA will contain a provision as contemplated in Section 444DA of the Act. However, we note that:

- Under the Orecchio DOCA/ASA, the proponent will offer employment to all current employees of NUH consistent with their present employment terms and unless 80% non-administrative employees accept the offer the DOCA/ASA will not complete. This provides greater certainty of continuation of the business and therefore their employment. Further, Orecchio undertakes to fund the ongoing trading for an initial period of 6 months; and
- Under the Realtek DOCA/ASA, the proponent must offer an interview to all staff, and an offer of employment to all staff who accept to be interviewed on terms no less favourable than their current employment agreement. If however, no employee chooses to be interviewed, then Realtek can still acquire the assets under the ASA and complete the DOCA/ASA.

Employees who accept an offer of employment with the DOCA proponent will be excluded from the DOCA and are to be paid from the ordinary course of their employment with the DOCA Proponent.

Pursuant to Section 444DA(3) of the Act, a meeting of eligible employee creditors of company has been called for 17 March 2025 at 10:00am (AWST) to consider a resolution agreeing to the non-inclusion of the claims of

continuing/transferring employees from being paid as a priority distribution under each of the proposed DOCAs of the Group.

For further details on the requirements and Administrators' Statement, please refer to the Administrators' Circular to Employees dated 7 March 2025, which has been sent to all known eligible employee creditor and also available on the KPMG website (<https://kpmg.com/au/en/home/creditors/nuheara.html>).

This meeting is to be held prior to the 3rd Reconvened Second Meeting of Creditors on 17 March 2025. The resolution pertaining to the exclusion of continuing/transferring employees from the Orecchio DOCA, must be approved by eligible employee creditors (i.e. employees who had a claim against NUH prior to 7 August 2024), to enable the Orecchio DOCA to be considered (and voted upon) at the 3rd Reconvened Second Meeting of Creditors (which is scheduled 90 minutes later at 11:30am (AWST) on 17 March 2025).

Whilst the Realtek DOCA contemplates an offer of new employment with a transfer of employee entitlements, the completion of the Realtek DOCA is not dependent upon employees accepting new offers of employment. Employees will have the opportunity to consider the effect of the Realtek DOCA at the 3rd Reconvened Second Meeting of Creditors on 17 March 2025.

7.5 Potential risk of Completion

Each DOCA proposal has the following potential risks to completion:

Key element	Realtek DOCA	Orecchio DOCA
DOCA Proponent	<ul style="list-style-type: none"> Realtek will establish an Australian based entity (special purpose vehicle) to acquire NUH's business and assets, but for providing guarantees in respect of paying the Deed Contribution, there remains a risk that the Deed Contribution is not paid. The Administrators' have written to Realtek, requesting that the Deed Contribution plus a contingency amount is paid into escrow before 17 March 2025. The total funds payable into escrow totals \$5M. This has now been agreed by Realtek, and will be paid into their lawyers trust account in advance of 17 March 2025. 	<ul style="list-style-type: none"> If less than 80% of non-administrative staff accept an offer of employment, then the Orecchio DOCA fails, unless the that condition to the ASA is waived. We note that we have received evidence to our satisfaction that funds are available to meet the Deed Contribution. Whilst not a risk of completion, there is a risk that creditors do not receive the additional 30c/\$ dividend, being subject of the sale of the business or sufficient trading profits by 30 June 2026. The Administrators have not received any trading forecasts or evidence to suggest that this further dividend is likely to be paid. That being so, we cannot ascribe any value to this element of the Orecchio DOCA.

7.6 Further information for creditors

Creditors should seek their own legal advice as to their rights and the effects of their position in entering into either DOCA.

Creditors can obtain further information from the ASIC website at www.asic.gov.au under Regulatory Resources – Insolvency – Insolvency for Creditors.

8 Creditors' Trust – applicable to Orecchio DOCA only

The Orecchio DOCA contemplates the creation of the "Nuheara Group Creditors' Trust" which will receive the Trust Fund, following creation of the Creditors' Trust. The key features of the proposed Creditors' Trust are tabled below.

Please note that the Realtek DOCA does not consider the creation of a creditors trust as creditors and employees will be paid out under the terms of the DOCA.

For the sake of clarity tabled below are the implications of the Creditors' Trust on the Group's former creditors under ASIC's Regulatory Guide 82:

Item	Information for creditors								
Reason	<p>The purpose of the Creditors' Trust will be to engage certain tasks ordinarily undertaken by a deed administrator (including but not limited to, the call for and adjudication upon the claims of unsecured creditors and employee claims) to be performed by the Trustees of the Creditors' Trust.</p> <p>In order to facilitate the early termination of the DOCA, so that they may be wound up.</p>								
Key events	<p>Upon creation of the Creditors' Trust, the following amounts which form part of the Deed Contribution will be paid to the Creditors' Trust:</p> <table border="1"> <thead> <tr> <th>Deed Fund</th> <th>Amount \$</th> </tr> </thead> <tbody> <tr> <td>Unsecured Creditor Contribution (no less than 20c/\$)</td> <td>876,528</td> </tr> <tr> <td>Employee Entitlements (Subject to final claims)</td> <td>152,221</td> </tr> <tr> <td>Total</td> <td>1,028,749</td> </tr> </tbody> </table>	Deed Fund	Amount \$	Unsecured Creditor Contribution (no less than 20c/\$)	876,528	Employee Entitlements (Subject to final claims)	152,221	Total	1,028,749
Deed Fund	Amount \$								
Unsecured Creditor Contribution (no less than 20c/\$)	876,528								
Employee Entitlements (Subject to final claims)	152,221								
Total	1,028,749								
Return	<p>At this time, the participating creditors of the Group will convert from being creditors of the Group to become beneficiaries of the Creditors' Trust.</p> <p>The anticipated return to beneficiaries will be:</p> <table border="1"> <thead> <tr> <th>Creditor class</th> <th>Estimated dividend rate (c/\$)</th> </tr> </thead> <tbody> <tr> <td>Priority creditors (former employees and entitlements of continuing employees as at the date of appointment of the Administrators)</td> <td>100c/\$</td> </tr> <tr> <td>Unsecured creditors (including Excluded Employees unsecured claim if applicable)</td> <td>No less than 20c/\$</td> </tr> </tbody> </table>	Creditor class	Estimated dividend rate (c/\$)	Priority creditors (former employees and entitlements of continuing employees as at the date of appointment of the Administrators)	100c/\$	Unsecured creditors (including Excluded Employees unsecured claim if applicable)	No less than 20c/\$		
Creditor class	Estimated dividend rate (c/\$)								
Priority creditors (former employees and entitlements of continuing employees as at the date of appointment of the Administrators)	100c/\$								
Unsecured creditors (including Excluded Employees unsecured claim if applicable)	No less than 20c/\$								
Trustee particulars	<p>The Trustees of the Creditors' Trust are proposed to be Martin Jones, Clint Joseph and Matthew Woods of KPMG. Details of their skills and experience are available on the KPMG website. KPMG has in place appropriate insurance coverage for the work proposed to be performed.</p>								
Indemnities	<p>The Administrators, Deed Administrators of the Group and Trustees of the Creditors' Trust will be entitled to be indemnified out of, and will have lien over, the funds in the Creditors' Trust for their remuneration, costs and expenses for the work due in those respective capacities.</p>								
Powers	<p>The Creditors' Trust Deed provides the Trustees with extensive powers, similar to those held by a Deed Administrator. Additional powers may be available under general law and the <i>Trustees Act 1962 (WA)</i>.</p>								
Claims	<p>Creditors will be defined by the following categories:</p> <p>Admitted priority claims</p> <p>Being any employee claims pursuant to sections 556(1)(e), (f), (g) and (h), section 560 or section 561 of the Act. With the date of Voluntary Administrators being appointed to the Companies to be the Relevant Date.</p> <p>Admitted claims</p> <p>Any unsecured creditors of the Group, excluding Excluded Creditors (being intercompany loans between the entities within the Group).</p>								

Item	Information for creditors
Other creditor/ beneficiary differences	<p>Creditor rights in an external administration are provided under the Act. Should creditors vote in favour of Orecchio's DOCA proposal, and the Creditors' Trust is formed, creditors will transition to be become beneficiaries of the Creditors' Trust. As such their rights will not be specified under the Act, but rather their rights as beneficiaries will arise under the terms of the Creditors' Trust Deed and the <i>Trustees Act 1962 (WA)</i>.</p>
FEG / Employees	<p>The anticipated return to admitted priority claims is 100c/\$. Excluded Employees are excluded from FEG. It is not intended that NUH will enter liquidation until after the effectuation of the DOCA, at which point NUH will no longer be employing.</p> <p>Therefore, the FEG scheme is not to be activated as a part of the proposed DOCA or the Creditors' Trust as it is only available in a Liquidation.</p>
Compliance opinion	<p>We are of the opinion that the Proponent is capable of complying with the terms of the DOCA, if the DOCA proposal is accepted by creditors.</p>
Solvency statement	<p>At the time the DOCAs will be wholly effectuated, the Group will be solvent. This will occur as a result of the effect of the DOCA on claims against the Group, i.e. pre-administration claims being transferred to the Creditors' Trust and as such the Group will have no liabilities moving forward.</p> <p>The DOCA Proponents (Orecchio) will ensure that the business under their control has sufficient working capital moving forward.</p>
Tax implications	<p>Creditors who are proposed to become beneficiaries of the Creditors' Trust should seek their own independent legal and taxation advice.</p>
Other	<p>The Administrators are not aware of any other material aspects or implications of the DOCA proposal which require consideration by creditors.</p> <p>It is intended that the corporate shells of each remaining entity being NUH is to be liquidated by 30 June 2025. The Deed Administrators may market for sale the NUH corporate shell to ascertain whether there remains any value in the entity.</p>

9 Statutory investigations

Please refer to the Administrators' Report dated 10 December 2024 for details regarding the statutory investigations into the Companies affairs.

9.1 Preliminary investigations

Whilst the Administrators have considered the underlying causes of the Company's failure, our investigations into claims arising from those matters are at an early stage.

The preliminary investigations have not identified any potential claims or antecedent recoveries available in the Liquidation which would result in a return to creditors.

That said, a liquidator (if one is appointed) will conduct further investigations in addition to the preliminary investigations undertaken during the Administration.

9.2 Preliminary conclusion as to solvency

NUH became insolvent on or around 7 August 2024, based on available cash to pay its debts at the time and given that all other means to refinance the Realtek debt, or obtain alternative funding whether debt or equity had been extinguished.

The remaining subsidiaries of the Group likely became insolvent at the same time given that they were reliant upon NUH for their funding requirements.

For completeness, we note that the above analysis is based upon our preliminary view only, any future appointed Liquidator would need to conduct further investigations (which may include conducting a public examination of the Company's directors and officers) to determine the actual date of insolvency.

10 Voidable transactions

Please refer to the Administrators' Report dated 10 December 2024 for details regarding voidable transactions.

10.1 Summary of potential antecedent transactions

Set out below is a summary of transactions that a liquidator would be very likely to investigate further if the Group is placed into liquidation.

Potential recovery item	NUH	NUH IP	Terrace Gold
Unfair preferences	\$125K	None identified	None identified
Uncommercial transactions	None identified	None identified	None identified
Unfair loans	None identified	None identified	None identified
Unreasonable director-related transactions	None identified	None identified	None identified
Total	\$125K	None identified	None identified

11 Return to creditors

This Section provides creditors with information on the estimated financial outcome to creditors together with the anticipated timing of any dividend.

Key takeaway		Ref.
1	Both DOCA proposals provide a greater return to all classes of creditors, than under a liquidation scenario. Unsecured creditors receive a return of 21.1c/\$ under the Realtek DOCA vs an initial amount of no less than 20c/\$ under the Orecchio DOCA, with a potential uplift of 30c/\$ in the future. Employees receive 100c/\$ under both proposals.	11.1
2	<p>Under the Orecchio DOCA/ASA, the proponent will offer employment to all current employees of NUH consistent with their present employment terms and unless 80% non-administrative employees accept the offer the DOCA/ASA will not complete. This provides greater certainty of continuation of the business and therefore their employment. Further, Orecchio undertakes to fund the ongoing trading for an initial period of 6 months.</p> <p>Under the Realtek DOCA/ASA, the proponent must offer an interview to all staff, and an offer of employment to all staff who accept to be interviewed on terms no less favourable than their current employment agreement. If however, no employee chooses to be interviewed, then Realtek can still acquire the assets under the ASA and complete the DOCA/ASA.</p> <p>Therefore, it is uncertain whether the business will continue to trade as usual under the Realtek DOCA.</p>	11.1
3	<p>The assets of NUH, if realised in an orderly winding-up scenario are unlikely to provide a return to the Secured Creditor and therefore the return to unsecured creditors is also nil.</p> <p>To the extent there are no (or insufficient) realisations available for priority employee creditors, in a liquidation, employees may be eligible for payment of their outstanding employee entitlements (excluding unpaid superannuation) under FEG, a scheme operated by the Department of Jobs and Small Business.</p>	11.1

11.1 Comparison of returns

The potential returns to each entity and class of creditor under a DOCA scenario and a liquidation is tabled below:

Class of creditor	Realtek DOCA			Shareholder DOCA			Liquidation		
	NUH	NUH IP	Terrace Gold	NUH	NUH IP	Terrace Gold	NUH	NUH IP	Terrace Gold
Secured Creditor (Realtek)	Realtek's nominated SPV is the Proponent under this option. As consideration for acquisition of the business assets under the ASA, Realtek forgives repayment of the secured debt of approx. \$2.6M	n/a	n/a	\$500K	n/a	n/a	Return unlikely/ Nil	n/a	n/a
Employees	100 c/\$	n/a	n/a	100c/\$	n/a	n/a	FEG	n/a	n/a

Class of creditor	Realtek DOCA			Shareholder DOCA			Liquidation		
	NUH	NUH IP	Terrace Gold	NUH	NUH IP	Terrace Gold	NUH	NUH IP	Terrace Gold
Excluded Employees	100c/\$ if continuing, or \$3.5K plus up no less than 21.1c/\$ on the balance of the claim if not continuing.	-	-	100c/\$ if continuing, or \$3.5K plus up no less than 20c/\$ on the balance of the claim if not continuing.	-	-	Nil	-	-
Unsecured Creditors	21.1c/\$			Initial dividend of no less than 20c/\$. Further uplift payment of an additional dividend limited to 30c/\$, contingent upon a sale of the business or as future financial performance allows after the return of debt and capital by 30 June 2026.* To the fullest extent practicable, using goods and services supplied by the Participating Creditors. By the business continuing to trade under Orecchio, this may produce future economic benefits to existing suppliers and contractors.			Nil	Nil	Nil

*As consideration for acquisition of the business assets under the ASA, Realtek forgives repayment of the secured debt of approx. \$2.6M.

** Refer section 7.5, the Administrators do not have sufficient information to determine if this additional dividend is likely.

11.2 Return to creditors under Liquidation

11.2.1 NUH statement of position - Liquidation

Tabled below is the estimated statement of position for NUH in a Liquidation scenario:

Nuheara Limited (NUH)	Notes	Amount \$'000
Estimated Statement of Position - Liquidation		Liquidation
Assets subject to Non-circulating Security Interests		
Plant and equipment (manufacturing equipment and fixed assets)	1	No commercial value
Other assets & intellectual property	1	No commercial value
Less: Amount owed to Secured Creditor (Realtek)		(2,568)
Amount available to unsecured creditors		Nil
Assets subject to Circulating Security Interests		
Cash and cash equivalents	2	-
Debtors	3	140
R&D Rebate	4	-
Inter-company debtor receivable (sale of NUH IP's IP)	5	215
Inventory		No commercial value
Total Circulating assets		355
Less: Priority Costs		
Administrators' net cash balance		181
Shareholder VA Funding incurred (incl. Establishment fee and Interest)		(1,396)

Nuheara Limited (NUH)		Amount \$'000
Estimated Statement of Position - Liquidation		Liquidation
	Notes	
Realtek VA Funding incurred (incl. Establishment fee and Interest)		(278)
Administrators' fees incurred from 7 August 2024 to 28 February 2025		(1,201)
Estimated Future Fees:		
Estimated Administrators fees from 1 March 2025 to 17 March 2025		(150)
Estimated Administrators' disbursements and legal fees		(200)
Estimated Liquidators' fees and costs		(200)
Total Priority Payments		(3,245)
Deficit Required to be funded by Purchaser (excl. Employees)		(2,890)
Balance Available for Priority Creditors		-
Estimated employee entitlements		(845)
Total owed to employees		(845)
Deficit Required to be funded by Purchaser (incl. Employees)		(3,735)
Balance Available for Unsecured Creditors		Nil
Liquidation Returns		
Unsecured Creditors		(4,403)
Excluded Employee - Unsecured		(445)
Residual of Secured Creditor Claim		Unknown/Nil
Total Unsecured Claims		TBD
Dividend c/\$		Nil
Estimated surplus / deficiency		TBD

Notes:

- 1 PPE includes both certain manufacturing equipment and office equipment, such as laptops, desks etc.
- 2 Pre-appointment cash included a bank guarantee for the head office. The pre-appointment landlord has drawn down on the guarantee, and at this stage it is unclear whether there will be a net surplus available.
- 3 Debtors included amounts owed by Salutica. Salutica has a counter claim against certain pre-payment and accordingly, the amounts are unlikely to be recovered. Notably, there is a \$140K overseas tax return which may be recoverable.
- 4 The R&D rebate relates to FY24. A total of \$840K was received by the Administrators with the balance offset against the ATO's pre-appointment claim. This amount is reports as a net figure within the "Administrators' net cash balance".
- 5 Should NUH enter liquidation and the Liquidators' sell the intellectual property of NUH IP, then NUH may receive a dividend as sole creditors of NUH IP in the amount of \$215K.

In a liquidation, employees (other than excluded employees) may be eligible for payment of their outstanding employee entitlements (excluding unpaid superannuation) under FEG, a scheme operated by the Department of Employment. Employees can obtain further information on the eligibility requirements of FEG at <https://docs.jobs.gov.au/documents/eligibility-feg-assistance-fact-sheet>.

In the event that NUH is wound up, we are unable to determine with certainty whether a dividend will be payable to creditors. The table below outlines the estimated return for each class of creditor in a Liquidation scenario:

Class of Creditors	Liquidation
Realtek (Secured Creditor)	Realtek hold a valid and enforceable AIPAAP security interest over NUH. Accordingly, they will benefit from primary security from any non-circulating assets (after priority costs), and any residual surplus from circulating assets (after priority costs and employee entitlements). In the case of NUH, there is unlikely to be a return to Realtek in a liquidation, as there will be limited to, no realisable value from a fire sale of its assets after realisation and priority costs.
Employees - Superannuation entitlement	It is estimated that there will be insufficient funds realised from circulating assets to enable any outstanding superannuation to be paid for NUH employees.

Class of Creditors	Liquidation
Employees - Outstanding Priority Employee Entitlements	<p>If the Company is placed into liquidation, employees may be eligible for payment of their outstanding employee entitlements (excluding unpaid superannuation) under FEG, a scheme operated by the Department of Employment.</p> <p>Employees can obtain further information on the eligibility requirements of FEG at https://docs.jobs.gov.au/documents/eligibility-feg-assistance-fact-sheet.</p>
Unsecured creditors	<p>In the absence of a DOCA, the net funds (if any) received from the sale of the Group's assets would first be applied towards the cost of administration (including cost incurred by Administrators in trading the business, and Administrator's remuneration and expenses.)</p> <p>We anticipate that the proceeds from any such sale will be insufficient to discharge those priority administration costs, fees and expenses or to pay a dividend to Realtek, so there will be no funds available to unsecured creditors for any of the entities from the sale of the Groups' assets.</p> <p>Furthermore, in the event that each of the companies were to be wound up, we also do not expect that there will be any recoveries from the voidable and other transaction referred to in Sections 9 and 10 of this Report.</p> <p>A future appointed liquidator will need to conduct further detailed investigations to ascertain if there are any potential recoveries to pursue and with any potential legal issues, these recoveries are uncertain, and it may not be commercial to pursue.</p>

The above calculations are an estimate only and may change due to:

- the final amount realised from the realisation of the assets of the company;
- final proving of creditor claims; and
- the costs of litigation to recover any potential voidable transactions.

11.2.2 NUH IP estimated statement of position – Liquidation

Tabled below is the estimated statement of position for NUH IP:

Nuheara IP Pty Ltd (NUH IP)	Amount \$'000
Estimated Statement of Position - Liquidation	Liquidation
Assets subject to Non-circulating Security Interests	
Other assets (IP)	300
Amount available to unsecured creditors	300
Less: Priority Costs	
Cost of realisation – Azure Capital	TBC
IP preservation costs	TBC
Administrators' Fees 7 August 2024 to 28 February 2025	(5)
Estimate Future Fees:	
Estimated Administrators fees from 1 March 2025 to 17 March 2025	(15)
Estimated Administrators' disbursements and legal fees	(25)
Estimated Liquidators' fees and costs	(30)
Total Priority Payments	(75)
Balance Available for Unsecured Creditors	225
Unsecured creditors	

Nuheara IP Pty Ltd (NUH IP)	Amount \$'000
Estimated Statement of Position - Liquidation	Liquidation
NUH - intercompany loan	(14,658)
Other	-
Total Unsecured Creditors	(14,658)
Dividend to NUH	225

11.2.3 Terrace Gold estimated statement of position - Liquidation

Tabled below is the estimated statement of position for Terrace Gold:

Terrace Gold Pty Ltd (Terrace Gold)	Amount \$'000
Estimated Statement of Position - Liquidation	Liquidation
Assets subject to Circulating Security Interests	-
Cash at bank	5
Debtors	-
Assets subject to Non-circulating Security Interests	-
Other assets	Unknown / TBC
Amount available to unsecured creditors	Unknown / TBC
Less: Priority Costs	-
Administrators' Fees 7 August 2024 to 28 February 2025	(6)
Estimate Future Fees:	-
Estimated Administrators fees from 1 March 2025 to 17 March 2025	(15)
Estimated Administrators' disbursements and legal fees	(20)
Estimated Liquidators' fees and costs	(30)
Total Priority Payments	(71)
Unsecured creditors	-
NUH	(1)
Other	-
Total Unsecured Creditors	(1)
Dividend to NUH	Unknown

11.3 Return to creditors under a DOCA

Under the terms of each DOCA being proposed the estimated returns are as follows:

Creditor class	Realtek DOCA Estimated dividend rate (c/\$)	Orecchio DOCA Estimated dividend rate (c/\$)
Secured creditor	Realtek's nominated SPV is the Proponent under this option. As consideration for acquisition of the business assets under the ASA, Realtek forgives repayment of the secured debt of approx. \$2.6M	\$500k
Priority creditors	100c/\$	100c/\$

Creditor class	Realtek DOCA Estimated dividend rate (c/\$)	Orecchio DOCA Estimated dividend rate (c/\$)
Excluded Employee	100c/\$ if an offer of employment is made and accepted, or \$3.5K plus 21.1c/\$ on the balance of the unsecured claim	100c/\$ if continuing, or \$3.5K plus no less than 20c/\$ on the balance of the claim if not continuing.
Unsecured creditors	21.1c/\$	Initial dividend of no less than 20c/\$. Further uplift payment of an additional dividend limited to 30c/\$, contingent upon a sale of the business or as future financial performance allows after the return of debt and capital by 30 June 2026.* To the fullest extent practicable, using goods and services supplied by the Participating Creditors. By the business continuing to trade under Orecchio, this may produce future economic benefits to existing suppliers and contractors.

* Refer section 7.5, the Administrators are unable to ascribe a value or determine with any accuracy as to the likelihood of the recovery of this further 30c/\$.

11.4 Timing of dividend

Under a DOCA scenario, the timing of a dividend to the unsecured creditors is subject to the successful completion of the relevant conditions precedent. In the case of the Orecchio DOCA a Creditors' Trust will also need to be established.

Under both DOCA scenarios, it is estimated that a dividend will be paid in or around July/August 2025.

A dividend to unsecured creditors under a liquidation scenario will be dependent upon the successful recoveries from any litigation of insolvent trading claims or antecedent transactions. As discussed previously in this Report, the likelihood of recoveries are nil or unknown, hence it is unlikely that there will be a return to unsecured creditors.

12 Statement by Administrators

We are of the opinion that the DOCA as proposed by Orecchio should be accepted by creditors, as it provides for certainty regarding the continuation of the business, continuity of employment subject to no less than 80% of non-administrative staff accepting an offer, and a potentially higher return to unsecured creditors than the Realtek DOCA or an orderly liquidation of the Groups assets.

Pursuant to IPR 75-225(3)(b), we are required to provide creditors with a statement setting out our opinion on whether it is in creditors' interests for the:

- administration to end;
- Group to be wound up; or
- Group to execute a DOCA (being either the Realtek or Orecchio DOCA).

In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option, the effect on stakeholders under a restructure of the Group under each DOCA as compared to a liquidation scenario based on our current assessment is tabled below:

Creditor class	Realtek DOCA	Orecchio DOCA	Liquidation
Secured Creditor (Realtek)	Realtek's nominated SPV is the Proponent under this option. As consideration for acquisition of the business assets under the ASA, Realtek forgives repayment of the secured debt of approx. \$2.6M	AUD \$500K	No return expected.
Terminated Employees Continuing Employees	100c/\$ Subject to accepting an interview and subsequent offer of employment, entitlement accrued will be preserved and continued as is. Will not be entitled to claim in the proposed DOCA.	100c/\$ Offered continuity of employment with the Orecchio where the entitlement accrued will be preserved and continued as is. Will not be entitled to claim in the proposed DOCA.	To the extent there are no realisations available for priority employee creditors, in a liquidation, employees may be eligible for payment of their outstanding employee entitlements (excluding unpaid superannuation) under the Fair Entitlements Guarantee (FEG) scheme.
Excluded Employee	100c/\$ if continuing, or \$3.5K plus no less than 21.1c/\$ on the balance of the claim if not continuing.	100c/\$ if continuing, or \$3.5K plus no less than 20c/\$ on the balance of the claim if not continuing.	No return. Not eligible for FEG.
Unsecured Creditors	21.1c/\$	Initial dividend of no less than 20c/\$. Further uplift payment of an additional dividend limited to 30c/\$, contingent upon a sale of the business or as future financial performance allows after the return of debt and capital by 30 June 2026.*	No likely return to creditors of the Company as we do not expect that there will be any recoveries from the voidable and other transaction referred to in Section 8 and 9 .

Creditor class	Realtek DOCA	Orecchio DOCA	Liquidation
		<p>To the fullest extent practicable, using goods and services supplied by the Participating Creditors.</p> <p>By the business continuing to trade under Orecchio, this may produce future economic benefits to existing suppliers and contractors. By the business continuing to trade under Orecchio, this may produce future economic benefits to existing suppliers and contractors.</p>	

*Refer section 7.5, the Administrators do not have sufficient information to determine if this additional dividend is likely.

Each of the three (3) options available to creditors are considered below.

12.1 Administrations to end

Creditors may resolve that the administration should end if it appears a company is solvent, or for some other reason, control of a company should revert to its directors.

From our preliminary investigations and analysis of the individual companies' financial position, the individual companies are insolvent and unable to pay their debts as and when they fall due.

If the administrations were to end, there is no mechanism controlling an orderly realisation of assets and distribution to creditors. In those circumstances, we are unable to say what either the individual companies may ultimately pay creditors or what costs it might incur.

Accordingly, returning control of the Group to its Directors would be inappropriate and is not recommended.

12.2 DOCA

As stated in **Section 12.1** above, the option of the administration ending is clearly not viable. The only remaining option available to creditors are to wind up of the Group or accept one of the proposed DOCAs. Further to our comments set out in **Section 12.3** below, we believe the return to creditors under both proposed DOCAs will exceed the estimated return under a winding up of the Group. For completeness, we note that any antecedent recoveries that may potentially be recovered in a liquidation scenario will not be able to be recovered under DOCA.

Whilst **only one DOCA may be accepted**, if implemented, both DOCAs are likely to provide a more certain, better and timelier return to creditors than an immediate winding up of the Group because:

- Both DOCA proposals make available funds from third-parties, which would otherwise not be available in a liquidation;
- The potentially lower costs associated with the DOCA proposals over liquidation;
- Any realisation of the assets held by the Group in a liquidation scenario will likely be insufficient to discharge the priority costs of the Administration process and therefore there is no prospect of a return to the secured and ordinary unsecured creditors from the realisation of the Group's assets; and
- In a liquidation, recoveries from the voidable and other transactions referred to in **Section 10** of this report are uncertain or unlikely, and even if made, and before taking into account the costs that would be incurred in pursuing them, the return to creditors is much less than is available under either DOCA;
- Both DOCAs provide, to differing degrees, the prospect of the business of NUH continuing and also employment for current employees.

We note that if the DOCA is not accepted and the business and assets not sold to either DOCA Proponents, then it is unlikely that the business will be able to be sold at all, because the Administrators have not identified any other potential purchasers for the business, and they will have no funding to trade the businesses pending a sale process. Further neither NUH (prior to the appointment of the Administrators) nor the Administrators have been able to achieve a sale for amounts equivalent to the amounts being offered by way of the Deed Contribution under both DOCA Proposals.

Accordingly, the consequence of either DOCA Proposal not being approved by creditors, is that the Group will be placed into liquidation and will immediately cease trading which will in turn lead to the termination of all staff.

Having considered both the Realtek DOCA and Orecchio DOCA proposals, **the Administrators' recommend that creditors of the Group accept the Orecchio DOCA proposal as:**

- the proposed DOCA meets the objectives of the voluntary administration regime as set out in section 435A of the Act by maximising the chances as much of the Group's business, as is possible continuing in existence following the completion of the sale; and
- Under the Orecchio DOCA/ASA, the proponent will offer employment to all current employees of NUH consistent with their present employment terms and unless 80% non-administrative employees accept the offer the DOCA/ASA will not complete. This provides greater certainty of continuation of the business and therefore their employment; and
- an opportunity for a further uplift payment of an additional dividend limited to 30c/\$, contingent upon a sale of the business or as future financial performance allows after the return of debt and capital by 30 June 2026; and
- there are good prospects of the terms of the DOCA being achieved, as the shareholders and associates of Orecchio had previously funded the business during the Administration since November 2024 for a period of four (4) months providing approximately \$1.1M in working capital; and
- the stated preference of the Managing Director, Group CEO and Co-founder of NUH, Mr Miller to work with Orecchio to continue with the business operations with Orecchio vs the uncertainty on the future direction of the business under Realtek; and
- it provides more fully for a going concern sale and return to creditors which is higher and more certain in quantum than a liquidation scenario; and
- Orecchio undertakes to fund the ongoing trading for an initial period of 6 months; and
- To the fullest extent practicable, Orecchio will use goods and services supplied by the Participating Creditors.

In making this recommendation we note that the additional 30c/\$ dividend, being subject of the sale of the business or sufficient trading profits by 30 June 2026 is something to which we can ascribe no value, given that we have not received any trading forecasts or evidence to suggest that this further dividend is likely to be paid.

This recommendation is subject to any material changes to the terms of the DOCA proposals from both Orecchio and Realtek should any be submitted between the date of this report and the 3rd Reconvened Second Meeting of Creditors on 17 March 2025.

12.3 Winding up of the Group

Both the DOCA's proposed provides for a better return to creditors which would otherwise not be available in a liquidation of the Group, hence it is not our recommendation that the entities within the Group be wound-up.

In the event that creditors resolve that the individual entities of the Group to be wound up then our estimate of the costs of winding up of the Group affairs, we estimated collectively will cost in excess \$260,000 plus GST and may potentially be higher.

Any remaining assets would firstly be applied to the priority costs of the Administration. Therefore, after costs the return to the secured creditor and unsecured creditors would be nil.

We also do not expect that there will be any recoveries from the voidable and other transaction referred to in **Sections 8 and 9** of this Report. A liquidator if appointed in the future, will need to conduct further detailed investigations to ascertain if there are any potential recoveries to pursue and with any potential legal issues, these recoveries are uncertain, and it may not be commercial to pursue.

As such the Administrators do not recommend that the Group should be placed into liquidation. However, should creditors resolve that the individual group entities be placed into liquidation, a liquidator would be in a position to conduct detailed investigations into the conduct of directors and the financial affairs of the individual companies.

A liquidator will also be empowered to:

- complete the sale of assets in an orderly manner, assuming that can be achieved;
- assist employees in applying for FEG for the payment of certain employee entitlements that cannot otherwise be funded by the employing entities;
- pursue various potential recoveries under the Act;
- distribute recoveries made in accordance with the priority provisions of the Act; and
- report to the ASIC on the results of investigations into the individual companies' affairs.

13 Further information and enquiries

ASIC has released several insolvency information sheets to assist creditors, employees and shareholders with their understanding of the insolvency process. You can access the relevant ASIC information sheets at www.asic.gov.au.

We will advise creditors in writing of any additional matter that comes to our attention after the release of this Report, which in our view is material to creditors' consideration.

Should you have any enquiries, please contact Bohan Teakle on 08 9263 7287 or by email at nuheara@kpmg.com.au.

Dated this 7th day of March 2025.



Martin Jones
Joint and Several Administrator

Encl.

Annexures

A – Receipts & Payments

Nuheara Limited (Administrators Appointed)	
Receipts and Payments for the period 15 February to 28 February 2025	Total (\$) (ex GST)
Carry Forward / Opening Cash at Bank as at 15 February 2025	457,372
Receipts	
Cash at Bank - Pre-Appointment Funds Received from PayPal Account	11,204
Sales	20,049
Interest Income	1,210
Third Party Funds - Funding Agreement	156,566
Total Receipts	189,028
Payments	
GST Paid	(317)
Internet	(335)
Payroll Tax Paid	(6,380)
Postage	(159)
Printing & Stationery	(69)
Shipping Costs	(804)
Shipping Duties & Taxes	(98)
Software Subscriptions	(72,819)
Superannuation Paid	(19,050)
Telephone & Fax	(102)
Total Payments	(100,133)
Closing Cash at Bank as at 28 February 2025	546,268

B – Reconvened Meeting of Creditors – 17 March 2025

Notice of Reconvened Concurrent Meeting of Creditors

Insolvency Practice Rules (Corporations) 2016 (IPR), Section 75-225

Nuheara Limited ACN 125 167 133
Nuheara IP Pty Ltd ACN 605 704 096
Terrace Gold Pty Ltd ACN 072 608 952
(All Administrators Appointed)

(Collectively referred to as “the Group”)

NOTICE is given that a reconvened concurrent meeting of creditors of the Group will be held on **17 March 2025 at 11:30am AWST at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth WA 6000.**

Although, the meetings will be treated as separate, we will conduct each of the meetings of the Group at the same time and location in order to minimise costs and allow for an efficient administration process for all stakeholders, without prejudicing their respective interests.

Agenda

1. To consider a statement by the Directors about the Group's business, property, affairs and financial circumstances.
2. To consider the circumstances leading to the appointment of the Administrators to the Group, details of the 2 proposed Deeds of Company Arrangement as outlined in our report dated 7 March 2025 and the various options available to creditors.
3. To consider the Report of the Administrators.
4. To resolve that for each of the individual companies:
 - The company execute a Deed of Company Arrangement; or
 - The Administration should end; or
 - The company be wound up.
5. To fix the remuneration of the Administrators.
6. If it is resolved that the Deed of Company Arrangement is entered into, to fix the remuneration of the Deed Administrators.
7. If it is resolved that a Creditors' Trust be formed, to fix the remuneration of the Trustees of the Creditors' Trust from commencement to completion.
8. If it is resolved that a company is to be wound up, and an alternate Liquidator is proposed, consider whether creditors wish to appoint the alternate Liquidator.
9. If it is resolved that a company is to be wound up, to fix the remuneration of the Liquidators.
10. If it is resolved that a company is to be wound up, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.
11. Any other business that may be lawfully brought forward.

Creditors wishing to vote at the meeting, who will not be attending in person or are a company, must complete and return a Proxy Form (and lodge a Proof of Debt form electronically via the Creditors' Portal if one has not already been lodged) by no later than 4:00pm on the last business day prior to the meeting by email to, by post to GPO Box A29, PERTH WA 6837 or by facsimile to +61 8 9263 7129. A Proxy Form is enclosed. For creditors who are unable to attend the meeting, a conference call facility will be available. If you wish to vote or participate, you must attend in person or by proxy. Creditors are not entitled to vote at the meeting unless they lodge particulars of the debt or claim via the Creditors' Portal before the meeting.

Should you wish to attend the meeting via conference facilities, please contact KPMG by email at nuheara@kpmg.com.au or by telephone to 08 9263 7287 at least one business day prior to the meeting to advise that you will be using the conference facilities and to be provided with the conference call code.

Dated this 7th day of March 2025.



Martin Jones
Joint and Several Administrator

Note: In accordance with IPR Section 75-15(1)(c) please see effect of IPR Section 75-85 Entitlement to vote at meetings of creditors on the following page.

Effect of IPR Section 75-85 – Entitlement to vote at meetings of creditors

1. A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
2. Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
3. A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal Proof of the Debt or Claim.
4. A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
5. A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
6. A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

C – Remuneration approval request

Schedule 2 to the Corporations Act 2001, Section 70-50
Insolvency Practice Rules (Corporations) 2016, Section 70-45

Nuheara Limited ACN 125 167 133
Nuheara IP Pty Ltd ACN 605 704 096
Terrace Gold Pty Ltd ACN 072 608 952
(All Administrators Appointed)

(Collectively referred to as “the Group”)

1 Summary

We are asking creditors to approve the following remuneration for the Group:

	NUH	NUH IP	Terrace Gold	Total \$ (excl GST)
Remuneration to be approved at 3rd Reconvened Second Meeting of Creditors				
Voluntary Administration – 7 August 2024 to 28 February 2025	1,206,422	5,447	6,422	1,218,291
Voluntary Administration - 1 March 2025 to 17 March 2025	150,000	15,000	15,000	180,000
Voluntary Administration – 18 March 2025 to the execution of the DOCA	50,000	25,000	25,000	100,000
Estimated total remuneration – Voluntary Administration	1,406,422	45,447	46,422	1,498,291
DOCA (if applicable) - Commencement to completion	75,000	20,000	20,000	115,000
Estimated total remuneration - DOCA	75,000	20,000	20,000	115,000
Creditor's Trust (if applicable) – Commencement to completion	130,000 (combined)			130,000
Estimated total remuneration - Creditor's Trust	130,000 (combined)			130,000
Liquidation (if applicable) – Commencement to completion	200,000	30,000	30,000	260,000
Estimated total remuneration - Liquidation	200,000	30,000	30,000	260,000

Details of remuneration and disbursements can be found in Sections 3 and 4 of this remuneration approval request.

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at the 3rd Reconvened Second Meeting of Creditor's on 17 March 2025.
- Refer to Section 2 of the Report to Creditors dated 7 March 2025 for details as to how you can attend the 3rd Reconvened Second Meeting of Creditor's in person or by proxy in order to vote on the resolutions contained in this report.

This estimate has increased from our previous estimate provided to creditors in the Initial Remuneration Notice (IRN) included in our report dated 8 August 2024, which estimated a cost to completion of the administration of \$250K-300K (excluding GST) for the following reasons:

- Continuing to trade the business as a going concern which resulted in greater than anticipated level of work, including communications with suppliers over that period.
- Our estimate provided under the IRN anticipated a 4-6 week trade on period, in line with the convening period of the statutory Administration process. However, the business has continued to trade for approximately 7 months, whilst a sale process was completed and the DOCA proposals could be developed.
- Greater level of work than anticipated in securing funding for working capital to preserve the business and communications with stakeholders in relation to the restructure of the affairs of the Group.
- Work associated with vacating the head office premises.
- Great than anticipated level of negotiation and liaising with Orecchio and Realtek in relation to their DOCA proposals

- Work associated with the application to the Court to extend the convening period and the last date to hold the meetings of creditors to allow the Administrators to progress the sale and marketing process for the Group's businesses and assets / and to progress the negotiation and analysis of the DOCA proposals.
- All other work associated with the various FCA proceedings and adjournment of creditor meetings, in particular the work outlined in section 6.1 of this Report.

We expect this to be our final remuneration approval request, subject to the successful completion of the DOCA proposals as outlined.

If the Group is placed into liquidation, then a subsequent remuneration request may be required subject to any potential recoveries identified or pursued.

2 Declaration

We, Martin Jones, Matthew Woods and Clint Joseph of KPMG, have undertaken an assessment of this remuneration and disbursements claim for our appointment as Administrators of the Company in accordance with the law and applicable professional standards.

We are satisfied that the remuneration and disbursements claimed is necessary and proper.

We have reviewed the work in progress report for the administration to ensure that remuneration is only being claimed for necessary and proper work performed and adjustments were made to ensure that there were sufficient narrations for the work performed.

3 Remuneration sought

The remuneration we are asking creditors to approve is as follows. We will only seek approval of resolutions for the DOCA if creditors agree to the proposal offered. Similarly, we will only seek approval of the resolution for the liquidation if creditors vote to place the company into liquidation.

For	Period	Amount (ex GST) \$	Rates to apply	When it will be drawn
Work already completed	7 August to 28 February 2025	1,218,291		
Work to be completed to adjourned meeting date	1 March 2025 to 17 March 2025	180,000	Please refer to IRN sent to creditors on 8 August 2024	Immediately, when funds are available; At the end of the administration.
Work to be completed to execution of DOCA	18 March 2025 to the Execution of DOCA	100,000		
Consolidated Voluntary Administration total		\$1,498,291		
Future work - DOCA	Commencement to completion	115,000	Please refer to IRN sent to creditors on 8 August 2024	Immediately, when funds are available.
Consolidated DOCA total		\$115,000		
Future work - Creditor's Trust	Commencement to completion of Nuheara Group Creditor's Trust	130,000	Please refer to IRN sent to creditors on 8 August 2024	Immediately, when funds are available.
Consolidated Nuheara Group Creditor's Trust total		\$130,000		
Future work – liquidation	18 March 2025 to finalisation of liquidation	260,000	Please refer to IRN sent to creditors on 8 August 2024	Immediately, when funds are available.

For	Period	Amount (ex GST) \$	Rates to apply	When it will be drawn
Consolidated Liquidation total		\$260,000		

Details of the work already completed and work to be completed in the future are included at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work we have already completed.

Actual resolutions to be put to the meeting are set out at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting that have been provided to you.

4 Disbursements sought

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the summary of receipts and payments attached at **Annexure A** of the Report.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit. For more information about disbursements, please refer to the IRN sent to you on 8 August 2024 and Schedule C of this report.

The disbursements we would like creditors to approve is as follows:

For	Period	Amount (ex GST) \$
Disbursements already incurred	7 August 2024 to 28 February 2025	1,747
Total disbursements to be approved (Consolidated)		1,747

Details of the disbursements incurred and future disbursements are included at **Schedule C**. Actual resolutions to be put to the meeting are also included at **Schedule D**.

5 Likely impact on dividends

The Corporations Act sets the order for payment of claims against the Group and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered, based on:

- realisations to date
- estimated future realisations
- our estimated remuneration to complete the administration / liquidation; and
- the estimated total of creditor claims based on the company's records and claims lodged to date
- the successful effectuation of the DOCA entered into.

6 Funding received for remuneration and disbursements

As outlined at section 6.3 of the Voluntary Administrators Second Supplementary Report to Creditors dated 7 March 2025, on 25 February 2025, the FCA heard the Administrators' application to extend the date to hold the meetings and made Orders that required Realtek to pay an amount of \$474,733 plus applicable GST on account of the Administrators' estimated costs and expenses of continuing to operate the business of NUH once the current funding exhausted by the end of February 2025. Of the \$474,733 plus applicable GST received onto Trust, a total of \$100k plus GST will be set aside for the Administrators' remuneration. However, we note that any remuneration drawn

pertaining to this amount is firstly subject to approval by creditors at the 3rd Reconvened Second Meeting of Creditor's on 17 March 2025.

7 Report on progress of administration

This Remuneration Approval Request must be read in conjunction with the Voluntary Administrators Second Supplementary Report to Creditors dated 7 March 2025 and previous correspondence issued to creditors, which outlines the progress of the administration.

8 Summary of receipts and payments

A summary of receipts and payments for the period 15 February 2025 to 28 February 2025 is set out in **Annexure A** to the Voluntary Administrators Second Supplementary Report to Creditors dated 7 March 2025. Copies of the previous summary of receipts and payments was enclosed with previous correspondences.

9 Approval of remuneration and internal disbursements

For information about how approval of the resolutions for remuneration and internal disbursements will be sought, refer to Section 2 of the Voluntary Administrators Second Supplementary Report to Creditors dated 7 March 2025.

10 Questions

If you require further information in relation to the information in this report, please contact Bohan Teakle of this office on 08 9263 7287.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for INFO 85)

Dated this 7th day of March 2025.



Martin Jones
Joint and Several Administrator

Attachments:

- Schedule A – Details of work
- Schedule B – Time spent by staff on each major task already completed
- Schedule C – Disbursements
- Schedule D – Resolutions
- Schedule E – Explanation where future remuneration previously approved

Schedule A – Details of work

The below table contains more detailed descriptions of the tasks performed within each task area by the Administrators and their staff, which is referred to in Part 3 and supports remuneration Resolutions 7 to 12 set out in **Schedule D**.

Period	Work already done			Future work to the end of VA		Tasks		If coy wound up
	7 August 2024 to 28 February 2025	1 March 2025 to 17 March 2025	18 March 2025 to the Execution of DOCA	DOCA	Creditors' Trust	Liquidation work		
Amount (ex GST)								
	Nuheara Limited	\$1,206,422	\$150,000	\$50,000	Commenement to completion	Commenement to completion	\$200,000	18 March 2025 to finalisation of liquidation
	Nuheara IP Pty Ltd	\$5,447	\$15,000	\$25,000	\$75,000	\$20,000	\$30,000	
	Terrace Gold Pty Ltd	\$6,422	\$15,000	\$25,000	\$20,000	\$20,000	\$30,000	
	Total	\$1,218,291	\$180,000	\$100,000	\$115,000	\$130,000	\$260,000	
Task Area	General Description							
Assets		195.8 hours \$143,014	25.5 hours \$15,049	8.5 hours \$5,016	12.4 hours \$7,322	0 hours \$0	28.1 hours \$16,555	
	Sale of business as a going concern	- Collating / reviewing information for information memorandum - Liaising with corporate advisor interested parties	- Updating estimated statement of position	- Updating estimated statement of position	- Communications with the Directors and DOCA - Finalise DOCA instrument and execution. - Communications with legal advisers.	-	-	- Conduct asset sale - Finalising sale of business and or assets - Correspondence with lawyers

Work already done		Future work to meeting date	Future work to the end of VA	Tasks	Creditors' Trust	If coy wound up
				DOCA		Liquidation work
	<ul style="list-style-type: none"> - Liaising with potential purchasers - Liaising with management regarding potential purchasers - Considering Indicative non-binding offer - Consider and communications with non-binding offer for Terrace Gold and considering ESOP. 			- Updating estimated statement of position.		
Plant and equipment	<ul style="list-style-type: none"> - Reviewing asset listings - Communications with Valuer regarding Perth based assets - Considering commercial value of assets held offshore 			- Assist with all tasks associated with the sale of PPE under the ASA		Liaising with valuers, auctioneers and interested parties
Assets subject to specific charges	<ul style="list-style-type: none"> - All tasks associated with realising a charged asset 			-		

	Tasks				If coy wound up	
	Work already done	Future work to meeting date	Future work to the end of VA	DOCA		Creditors' Trust
Debtors	<ul style="list-style-type: none"> - Correspondence with debtors - Reviewing and assessing debtors ledgers 	<ul style="list-style-type: none"> - Correspondence with debtors 	<ul style="list-style-type: none"> - Correspondence with debtors 	<ul style="list-style-type: none"> - Correspondence with debtors 	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> - Correspondence with debtors - Liaising with debt collectors and solicitors
Stock	<ul style="list-style-type: none"> - Reviewing and assessing stock values 	<ul style="list-style-type: none"> - Tasks associated with the sale and shipping of inventory 	<ul style="list-style-type: none"> - Tasks associated with the sale and shipping of inventory 	<ul style="list-style-type: none"> - Assist with all tasks associated with the sale of inventory under the ASA 	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> - Recovery and realisation of stock
Leased assets	<ul style="list-style-type: none"> - Reviewing leasing documents - Liaising with owners / lessors - Tasks associated with disclaiming leases, including vacating the head office 	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> - Disclaim leased assets - Communications with lessors
Creditors	672.6 hours \$416,482	87.3 hours \$51,485	29.1 hours \$17,162	62.0 hours \$36,580	88.2 hours \$52,000	140.2 hours \$82,704
Creditor enquires, requests and directions	<ul style="list-style-type: none"> - Receive and respond to creditor enquires - Prepare initial correspondence 	<ul style="list-style-type: none"> - General updates and responses to creditor enquires 	<ul style="list-style-type: none"> - General updates and responses to creditor enquires 	<ul style="list-style-type: none"> - Receive and respond to creditor enquires - Considering reasonable 	<ul style="list-style-type: none"> - General updates and responses to creditor enquires 	<ul style="list-style-type: none"> - General updates and responses to creditor enquires

		Work already done	Future work to meeting date	Future work to the end of VA	Tasks DOCA	Creditors' Trust	If coy wound up Liquidation work
		<p>nce to creditors and their representatives</p> <ul style="list-style-type: none"> - Documenting reasonable requests of creditor - Obtaining legal advice on requests - Compiling information requested by creditors 			<ul style="list-style-type: none"> - ss of creditor requests. Compiling information requested by creditors - General updates and responses to creditor enquiries. 		
	Security interest claims	<ul style="list-style-type: none"> - Search and review the PPSR register - Receive initial notification of creditors' intention to claim - Maintain retention of title file - Meeting claimant on site to identify goods 					<ul style="list-style-type: none"> - Preparation of payment vouchers to satisfy valid claim - Correspondence with claimants - Maintaining records of inventory subject to retention of title
	Deed of Company Arrangement (DOCA) proposals	<ul style="list-style-type: none"> - Reviewing the DOCA proposals received and 	<ul style="list-style-type: none"> - Correspondence with the DOCA proponents and their 	<ul style="list-style-type: none"> - Review drafts of the DOCA Deeds and Creditors Trusts Deeds 	<ul style="list-style-type: none"> - Effectuating the DOCA and satisfaction 	<ul style="list-style-type: none"> - Execution of Creditors Trust Deed and 	

	Work already done	Tasks			If coy wound up Liquidation work
		Future work to meeting date	Future work to the end of VA	DOCA of conditions precedent	
	<ul style="list-style-type: none"> analysing same Correspondence with the DOCA proponents and their respective lawyers. 	<ul style="list-style-type: none"> respective lawyers on the terms of the DOCA as required. 	<ul style="list-style-type: none"> If applicable, executing the DOCA. Further correspondence with the DOCA proponents/s and their respective lawyers. 		
Secured creditor	<ul style="list-style-type: none"> Notifying PPSR registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries 	<ul style="list-style-type: none"> Communications with the secured creditor regarding the proposed adjournment of the Second Meeting 			<ul style="list-style-type: none"> Reporting to secured creditors on asset realisations General correspondence
Reports to creditors	<ul style="list-style-type: none"> Prepare Circular to Creditors dated: 8 August 2024 23 August 2024 27 August 2024 2 September 2024 24 September 2024 	<ul style="list-style-type: none"> Prepare circulars to creditors Prepare correspondence to creditors as required 	<ul style="list-style-type: none"> Prepare circular to creditors Prepare correspondence to creditors as required 	<ul style="list-style-type: none"> Prepare correspondence to beneficiaries of the Trust as required 	<ul style="list-style-type: none"> Prepare correspondence to creditors Prepare statutory report to creditors

		Tasks				If coy wound up	
		Work already done	Future work to meeting date	Future work to the end of VA	DOCA	Creditors' Trust	Liquidation work
		- 18 December 2024 - 26 February 2025 - 28 February 2025 - Prepare Voluntary Administrators report dated 10 December 2024 - Prepare Voluntary Administrators Supplementary Report dated 17 February 2025	-	-	-	-	-
	Dealing with Proofs of Debt (POD)	- Receiving and filing POD when not related to a dividend - Corresponding with OSR and ATO regarding POD when not related to a dividend	- Receiving and filing POD when not related to a dividend	- Receiving and filing POD when not related to a dividend	- Receiving and filing POD when not related to a dividend	- Receiving and filing POD when not related to a dividend	- Receiving and filing POD when not related to a dividend
	Meeting of creditors	- Preparation of meeting notices, proxies and advertisements	- Preparation of meeting notices, proxies and advertisements	- Preparation of meeting notices, proxies and advertisements	- Preparation of meeting notices, proxies and advertisements	-	- Preparation of meeting notices, proxies and advertisements

	Tasks				If coy wound up Liquidation work
	Work already done	Future work to meeting date	Future work to the end of VA	DOCA	
	Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Preparation and lodgement of minutes of meetings with ASIC Respond to stakeholder queries and questions immediately following meeting	Forward notice of meeting to all known creditors Preparation of meeting file Tasks associated with organising eligible employees meeting	Forward notice of meeting to all known creditors Preparation of meeting file	Forward notice of meeting to all known creditors Preparation of meeting file Tasks associated with organising eligible employees meeting (if required)	- - - -
Proposals to creditors					- - -

	Tasks					If coy wound up Liquidation work
	Work already done	Future work to meeting date	Future work to the end of VA	DOCA	Creditors' Trust	
						proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
	Shareholder enquiries	General updates and responses to shareholder enquiries	General updates and responses to shareholder enquiries	General updates and responses to shareholder enquiries	General updates and responses to shareholder enquiries	General updates and responses to shareholder enquiries
Employees	70.2 hours \$37,784	9.1 hours \$5,374	3.0 hours \$1,791	5.4 hours \$3,179	0 hours \$0	12.2 hours \$7,187
	Employee enquiries	Attend to employee enquiries	Attend to employee enquiries	Attend to employee enquiries	Attend to all former employee enquiries	Attend to employee enquiries
	Fair Entitlements Guarantee (FEG)					Correspondence with FEG Preparing notification spreadsheet Preparing FEG quotations

		Tasks				If coy wound up	
		Work already done	Future work to meeting date	Future work to the end of VA	DOCA	Creditors' Trust	Liquidation work
							<ul style="list-style-type: none"> - Preparing FEG verifications - Completing FEG questionnaire
	Calculation of entitlements	<ul style="list-style-type: none"> - Review employee entitlements - Review of employee contracts, and specific employee enquiries - Preparing calculations regarding entitlements - Reviewing employee files and Company's books and records 	<ul style="list-style-type: none"> - Updating calculations regarding entitlements - Correspondence regarding employee entitlements and status of employment 	<ul style="list-style-type: none"> - Updating calculations regarding entitlements - Correspondence regarding employee entitlements and status of employment 		<ul style="list-style-type: none"> - Updating calculations regarding entitlements - Correspondence regarding employee entitlements and status of employment 	<ul style="list-style-type: none"> - Review employee entitlements - Preparation of letters to employees advising of their entitlements and options available
	Employee dividend distribution					<ul style="list-style-type: none"> - Preparing calculations for employee dividend. - Correspondence with employees and agreeing entitlements for dividend purposes. - Preparing correspondence and paying 	<ul style="list-style-type: none"> - Correspondence with employees regarding dividend - Calculating dividend rate - Preparing dividend file - Advertising dividend notice - Preparing distribution

		Tasks				If coy wound up	
		Work already done	Future work to meeting date	Future work to the end of VA	DOCA	Creditors' Trust	Liquidation work
	Workers compensation	- Review insurance policies - Identification of potential issues requiring attention of insurance specialists - Correspondence with insurer regarding initial and ongoing workers' compensation insurance requirements	- Correspondence with insurer regarding initial and ongoing workers' compensation insurance requirements	- Correspondence with insurer regarding initial and ongoing workers' compensation insurance requirements	- Closing out Workers compensation including annual reconciliations.	- dividend to employees.	- Receiving POD - Adjudicating POD - Ensuring PAYG is remitted to ATO - Closing out Workers compensation including annual reconciliations.
	Other employee issues	- Correspondence with Child Support - Correspondence with Centrelink	- Correspondence from FEG regarding entitlements.	- Correspondence from FEG regarding entitlements.	- Correspondence from FEG regarding entitlements.	- Correspondence from FEG regarding entitlements.	- Correspondence from FEG regarding entitlements.

		Tasks				If coy wound up	
		Work already done	Future work to meeting date	Future work to the end of VA	DOCA	Creditors' Trust	Liquidation work
	Processing receipts and payments	- Entering receipts and payments into accounting system	- Entering receipts and payments into accounting system	- Entering receipts and payments into accounting system	- Entering receipts and payments into accounting system	- Entering receipts and payments into accounting system	- Entering receipts and payments into accounting system
	Budgeting and financial reporting	- Preparing statement of positions - Assisting in the preparing and reviewing cashflow forecasts - Meetings to discuss trading position - Maintaining VA Loan Funding reconciliation	- Preparing statement of positions - Assisting in the preparing and reviewing cashflow forecasts - Meetings to discuss trading position - Maintaining VA Loan Funding reconciliation	- Preparing statement of positions - Assisting in the preparing and reviewing cashflow forecasts - Meetings to discuss trading position - Maintaining VA Loan Funding reconciliation	- Preparing statement of positions - Assisting in the preparing and reviewing cashflow forecasts - Meetings to discuss trading position - Maintaining VA Loan Funding reconciliation	- Closing out trading position - Updating ESOPs	- Closing out trading position - Updating ESOPs
Investigation		165.9 hours \$137,565	21.5 hours \$12,707	7.2 hours \$4,236	15.7 hours \$9,244	0 hours \$0	35.4 hours \$20,899
	Conducting investigation	- Reviewing Company's books and records - Review and preparation of Company nature and history - Conducting and summarising	- Finalisation of Administrator's investigations for the purpose of the Voluntary Administrator's report to creditors	- Finalisation of Administrator's investigations for the purpose of the Voluntary Administrator's report to creditors	- Finalisation of Administrator's investigations		- Lodgement of investigation report with ASIC - Reviewing Company's books and records - Preparation of comparative

	Work already done	Future work to meeting date	Future work to the end of VA	Tasks		If coy wound up
				DOCA	Creditors' Trust	
	statutory searches Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Preparation of investigation file					Liquidation work financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Preparation of investigation file
Examinations (if applicable)						Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available

	Work already done	Future work to meeting date	Future work to the end of VA	Tasks		If coy wound up
				DOCA	Creditors' Trust	
Litigation/Recoveries (if applicable)	-	-	-	-	-	Liquidation work Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
ASIC reporting	-	-	-	-	-	Preparing statutory investigation reports Liaising with ASIC
Dividend	0 hours \$0	0 hours \$0	0 hours \$0	0 hours \$0	66.1 hours \$39,000	0 hours \$0
Processing Proofs of Debt (POD)	- Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD	- Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD	- Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD	- Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD	- Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD	- Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD

	Tasks				If coy wound up	
	Work already done	Future work to meeting date	Future work to the end of VA	DOCA		Creditors' Trust
Document maintenance, file review, checklist	- Administration reviews Filing of documents File reviews Updating checklists	- Administration reviews Filing of documents File reviews Updating checklists	- Administration reviews Filing of documents File reviews Updating checklists	- Administration reviews Filing of documents File reviews Updating checklists	- Administration reviews Filing of documents File reviews Updating checklists	- Administration reviews Filing of documents File reviews Updating checklists
Insurance	- Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers	- Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies	- Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies	- Correspondence with insurer regarding ongoing insurance requirements	- Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Closing out insurance requirements	- Correspondence with insurer regarding initial and ongoing insurance requirements Closing out insurance requirements
Bank account administration	- Preparing correspondence opening and closing accounts Requesting bank statements	- Bank account reconciliation	- Bank account reconciliation	- Bank account reconciliation	- Preparing correspondence opening and closing accounts Bank account reconciliation	- Preparing correspondence opening and closing accounts Bank account reconciliation

		Tasks					If coy wound up	
Work already done		Future work to meeting date	Future work to the end of VA	DOCA	Creditors' Trust	Liquidation work		
	- Bank account reconciliation							
	- Correspondence with bank regarding specific transfers							
ASIC forms and lodgements	- Preparing and lodging ASIC forms - Correspondence with ASIC regarding statutory forms	- Preparing and lodging ASIC forms	- Preparing and lodging ASIC forms	- Preparing and lodging ASIC forms	- Preparing and lodging ASIC forms	- Preparing and lodging ASIC forms	- Preparing and lodging ASIC forms	
ATO and other statutory reporting	- Notification of appointment - Preparing BASs - Completing STP reporting obligations	- Preparing BASs	- Preparing BASs	- Notification of appointment - Preparing BASs - Completing STP reporting obligations	- Notification of appointment - Preparing BASs - Completing STP reporting obligations	- Notification of appointment - Preparing BASs - Completing STP reporting obligations	- Notification of appointment - Preparing BASs - Completing STP reporting obligations	
Finalisation	- Notifying ATO - Completing checklists - Finalising WIP	-	- Notifying ATO - Completing checklists	- Notifying ATO - Completing checklists	- Notifying ATO - Completing checklists	- Notifying ATO - Completing checklists	- Notifying ATO - Completing checklists	
Planning / Review	- Discussions regarding status / strategy of administration	- Discussions regarding status / strategy of administration	- Discussions regarding status / strategy of administration	- Discussions regarding status / strategy of administration	- Discussions regarding status / strategy of administration	- Discussions regarding status / strategy of administration	- Discussions regarding status / strategy of administration	

	Tasks					If coy wound up Liquidation work
	Work already done	Future work to meeting date	Future work to the end of VA	DOCA	Creditors' Trust	
Books and records / storage	- Dealing with company records	-	-	- Dealing with company records	- Sending job files to storage	- Dealing with records in storage Sending job files to storage
Other professional services provided by the firm	20.5 hours \$13,817.50	0 hours \$0	0 hours \$0	0 hours \$0	0 hours \$0	0 hours \$0
Forensics	- Forensic imaging of Group records	-	-	-	-	-

Please note in respect of the above table that NUH IP and Terrace Gold are largely dormant, and therefore tasks associated with these entities are limited to the areas outlined in B 1.2 and B 1.3.

Schedule B: Time spent by staff on each major task already completed
Schedule B 1.1: Nuheara Limited – Time spent by staff on each major task completed

The below table sets out time charged to each major task area performed by the Administrators and their staff for the period 7 August 2024 to 28 February 2025 which is the basis of the Resolution 7 claim referred to in **Schedule D**. Please refer to **Schedule A** for further details with respect to the tasks performed.

Employee	Position	Total hours	\$/hour (ex GST)	Total \$ (ex GST)	Task Area												
					Admin		Assets		Creditors		Employee		Trade		Investigation		
					Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)	
Marin Jones	Appointee / Partner	860	151,392.00	57.7	55,392.00	-	-	23.6	22,656.00	-	-	-	-	-	-	76.4	73,344.00
Clint Joseph	Appointee / Director	895	7,786.50	0.5	447.50	1.1	984.50	5.5	4,922.50	0.1	89.50	1.3	1,163.50	0.2	179.00	-	-
Kieran Chu	Associate Director	730	283,019.00	28.5	21,535.00	91.1	66,503.00	141.6	103,388.00	5.8	4,234.00	92.3	67,378.00	-	-	-	-
Michael Flower	Associate Director	730	285,866.00	-	-	103.2	75,336.00	152.1	111,033.00	8.3	6,059.00	31.8	23,214.00	68.8	50,224.00	-	-
Yvonne Liew	Associate Director	730	3,723.00	2.5	1,825.00	-	-	2.6	1,898.00	-	-	-	-	-	-	-	-
Sean Powell	Associate Director	730	11,680.00	-	-	-	-	-	-	-	-	-	-	-	16.0	11,680.00	-
Jacob Carger	Executive	565	34.8	19,718.50	23.6	13,334.00	-	-	8.6	4,859.00	2.7	1,525.50	-	-	-	-	-
Hendrik De Wet	Executive	565	179.9	101,643.50	53.9	30,453.50	-	-	66.7	37,685.50	7.2	4,068.00	52.1	29,436.50	-	-	-
Toby Schultz	Analyst	475	352.0	167,200.00	46.6	22,135.00	-	-	50.7	24,082.50	28.0	13,300.00	226.7	107,692.50	-	-	-
Bohan Teakle	Analyst	475	347.7	165,157.50	136.3	64,742.50	0.4	190.00	193.2	91,770.00	17.6	8,360.00	0.2	95.00	-	-	-
Jerry Yeh	Analyst	475	4.5	2,137.50	-	-	-	-	-	-	-	-	-	-	4.5	2,137.50	-
Pierce Davis	Analyst	475	51.2	24,320.00	6.2	2,945.00	-	-	9.8	4,655.00	-	-	35.2	16,720.00	-	-	-
Sophie Kennedy	Analyst	475	8.8	3,230.00	4.0	1,900.00	-	-	2.8	1,330.00	-	-	-	-	-	-	-
Josh Fiorentino	Analyst	475	9.2	4,370.00	-	-	-	-	3.8	1,805.00	-	-	5.4	2,565.00	-	-	-
Jonah Hays	Analyst	475	11.1	5,272.50	6.5	3,087.50	-	-	4.1	1,947.50	0.5	237.50	-	-	-	-	-
Emilija Hristova	Analyst	475	1.2	570.00	-	-	-	-	1.2	570.00	-	-	-	-	-	-	-
Astra Delagulado	Senior Treasury	350	1.5	525.00	0.9	315.00	-	-	-	-	-	-	0.6	210.00	-	-	-
Zin Thaya Khin	Treasury	330	0.1	33.00	-	-	-	-	-	-	-	-	0.1	33.00	-	-	-
Lisa Brandt	Treasury	330	26.6	8,778.00	13.2	4,356.00	-	-	-	-	-	-	13.4	4,422.00	-	-	-
Total		1,938.7	1,206,422.00	381.4	222,468.00	195.8	143,013.50	666.3	412,582.00	70.2	37,873.50	459.1	252,920.50	165.9	137,564.50		
Balance WIP			1,206,422.00														
GST				120,642.20		22,246.80		14,301.35		41,258.20		3,787.35		25,292.05		13,756.45	
Total (incl GST)				1,327,064.20		244,714.80		157,314.86		453,840.20		41,660.86		278,212.55		161,320.96	
Average hourly rate				622.28		563.29		730.41		619.21		539.51		550.91		829.20	

Note: Jerry Yeh and Sean Powell have provided other professional services being forensic accounting (other professional services) and have been charged at the appropriate rates as outlined in our Initial Remuneration Notice (IRN).

Schedule B 1.2: Nuheara IP Pty Ltd – Time spent by staff on each major task completed

The below table sets out time charged to each major task area performed by the Administrators and their staff for the period 7 August 2024 to 28 February 2025 which is the basis of the Resolution 7 claim referred to in **Schedule D**. Please refer to **Schedule A** for further details with respect to the tasks performed.

Employee		Position	\$/hour (ex GST)	Total hours	Total \$ (ex GST)	Task Area					
						Admin		Creditors		Creditors	
						Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)
Clint Joseph		Appointee / Director	895	0.2	179.00	-	-	0.2	179.00		
Lauren McCann		Director	850	0.1	85.00		85.00	-	-		-
Kieran Chu		Associate Director	730	4.4	3,212.00		2,336.00	1.2	876.00		
Yvonne Liew		Associate Director	730	0.2	146.00		146.00	-	-		-
Bohan Teakle		Analyst	475	2.8	1,330.00		617.50	1.3	712.50		
Lisa Brandt		Treasury	330	1.5	495.00		495.00	-	-		-
Total				9.2	5,447.00		3,679.50	6.3	1,767.50		2.9
Balance WIP					5,447.00						
GST							367.95				176.75
Total (incl GST)					5,991.70		4,047.45				1,944.25
<i>Average hourly rate</i>					<i>592.07</i>		<i>584.05</i>				<i>609.48</i>

Schedule B 1.3: Terrace Gold Pty Ltd – Time spent by staff on each major task completed

The below table sets out time charged to each major task area performed by the Administrators and their staff for the period 7 August 2024 to 28 February 2025 which is the basis of the Resolution 7 claim referred to in **Schedule D**. Please refer to **Schedule A** for further details with respect to the tasks performed.

Employee		Position	\$/hour (ex GST)	Total hours	Total \$ (ex GST)	Task Area							
						Admin		Assets		Creditors		Trade	
						Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)	Hours	Amount \$ (ex GST)
Clint Joseph	Appointee / Director	895	0.2	179.00	-	-	-	0.2	179.00	-	-	-	-
Lauren McCann	Director	850	0.1	85.00	0.1	85.00	-	-	-	-	-	-	-
Kieran Chu	Associate Director	730	3.8	2,774.00	1.3	949.00	0.8	584.00	1.7	1,241.00	-	-	-
Yvonne Liew	Associate Director	730	0.3	219.00	0.3	219.00	-	-	-	-	-	-	-
Toby Schultz	Analyst	475	1.5	712.50	1.5	712.50	-	-	-	-	-	-	-
Bohan Teakle	Analyst	475	3.7	1,757.50	2.2	1,045.00	-	-	1.5	712.50	-	-	-
Astra Delaguado	Senior Treasury	350	0.1	35.00	-	-	-	-	-	-	0.1	35.00	-
Lisa Brandt	Treasury	330	2.0	660.00	2.0	660.00	-	-	-	-	-	-	-
Total			11.7	6,422.00	7.4	3,670.50	0.8	584.00	3.4	2,132.50	0.1	35.00	-
Balance WIP				6,422.00									
GST				642.20		367.05		58.40		213.25		3.50	
Total (incl GST)				7,064.20		4,037.55		642.40		2,345.75		38.50	
<i>Average hourly rate</i>				<i>548.89</i>		<i>496.01</i>		<i>730.00</i>		<i>627.21</i>		-	

Schedule C – Disbursements

Period	Disbursements already incurred (approve actual amount)	Future disbursements (approve basis to a capped amount)		Basis	Disbursement type	Amount (ex GST)	Future disbursements to meeting date		If coy wound up
		Liquidation disbursements					Liquidation disbursements		
		7 August 2024 to 28 February 2025	18 March 2025 to finalisation of liquidation				1 March 2025 to 17 March 2025	18 March 2025 to finalisation of liquidation	
		\$1,334.18	\$207.77			\$1,334.18	\$207.77	\$0.00	\$0.00
		Nuheara Limited	Nuheara IP Pty Ltd				Terrace Gold Pty Ltd		
Advertising	At cost	-	-	-			-	-	At cost
ASIC Charges for appointments and notifiable events	Refer below	-	-	-			-	-	Refer below
Couriers	At cost	50.18	-	-			-	-	At cost
Data room hosting (incl 100GB of data + 40 users)	\$2,500 per month	-	-	-			-	-	\$2,500 per month
Data room hosting (burst user fees above 40 users)	\$50 per user per month	-	-	-			-	-	\$50 per user per month
Data room hosting (burst storage fees per GB above 100GB)	\$10 per GB per month	-	-	-			-	-	\$10 per GB per month
eDiscovery services	Variable	-	-	-			-	-	Variable
KPMG National Service Centre	Fixed	-	-	-			-	-	N/A
Photocopying / printing (outsourced)	At cost	-	-	-			-	-	At cost
Postage	At cost	208.00	-	-			-	-	At cost
Searches	At cost	67.05	57.77	57.77			67.77	-	At cost
Staff travel reimbursement	Up to \$100/day	59.67	-	-			-	-	Up to \$100/day
Staff vehicle use	At prescribed ATO rates	-	-	-			-	-	At prescribed ATO rates
Stationery and consumables	At cost	500.46	-	-			-	-	At cost
Storage and storage transit	At cost	295.82	-	-			-	-	At cost
Sundry	At cost	150.00	150.00	150.00			150.00	-	At cost
Telephone calls	At cost	-	-	-			-	-	At cost

ASIC Industry Funding Levy

The ASIC Industry Funding Levy for appointments and notifiable events will generally only be charged at the prescribed rates advised by ASIC each year. However, because there is a delay in ASIC providing actual rates for each financial year, rates are charged at the most recently available ASIC estimated rate or, if an estimate for the current financial year has not yet been issued by ASIC, it will be charged at the actual rate for the previous financial year.

KPMG National Service Centre (NSC)

The NSC charges a fixed fee based on engagement size and complexity. The NSC provides low-cost administrative support for new engagement on-boarding and set up services, work in progress, billing and debtor management and engagement close-out services. These services would otherwise be provided by KPMG professional staff at a higher cost to our clients.

Schedule D – Resolutions

Schedule D1.1 – Nuheara Limited

Remuneration

Resolution 7 – for work already completed:

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$1,206,422, plus any applicable GST, and may be paid."

Resolution 8 – for work to be completed up to the date of the meeting:

"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 1 March 2025 to 17 March 2025 be fixed up to a maximum amount of \$150,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 9 – for work to be from the date of the meeting to the commencement of DOCA:

"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to the commencement of DOCA be fixed up to a maximum amount of \$50,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 10 – for work to be from the commencement of DOCA to completion:

"That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the commencement of DOCA to completion be fixed up to a maximum amount of \$75,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 11 – for work to be completed during the Nuheara Group Creditors' Trust (if applicable):

"That the remuneration of the Trustees of the Nuheara Group Creditors' Trust, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the date of commencement of the Trust to completion be fixed up to a maximum amount of \$130,000 combined, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 12 – for work to be completed during the liquidation (if applicable):

"That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to completion be fixed up to a maximum amount of \$200,000 plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Disbursements

Resolution 13 – for disbursements already incurred:

"That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$1,331.18, plus any applicable GST, and may be paid."

Schedule D – Resolutions

Schedule D1.2 – Nuheara IP Pty Ltd

Remuneration

Resolution 7 – for work already completed:

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$5,447, plus any applicable GST, and may be paid."

Resolution 8 – for work to be completed up to the date of the meeting:

"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 1 March 2025 to 17 March 2025 be fixed up to a maximum amount of \$15,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 9 – for work to be from the date of the meeting to the commencement of DOCA:

"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to the commencement of DOCA be fixed up to a maximum amount of \$25,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 10 – for work to be from the commencement of DOCA to completion:

"That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the commencement of DOCA to completion be fixed up to a maximum amount of \$20,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 11 – for work to be completed during the Nuheara Group Creditors' Trust (if applicable):

"That the remuneration of the Trustees of the Nuheara Group Creditors' Trust, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the date of commencement of the Trust to completion be fixed up to a maximum amount of \$130,000 combined, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 12 – for work to be completed during the liquidation (if applicable):

"That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 25 February 2025 to completion be fixed up to a maximum amount of \$30,000 plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Disbursements

Resolution 13 – for disbursements already incurred:

"That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$207.77, plus any applicable GST, and may be paid."

Schedule D – Resolutions

Schedule D1.3 – Terrace Gold Pty Ltd

Remuneration

Resolution 7 – for work already completed:

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$6,422, plus any applicable GST, and may be paid."

Resolution 8 – for work to be completed up to the date of the meeting:

"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 1 March 2025 to 17 March 2025 be fixed up to a maximum amount of \$15,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 9 – for work to be from the date of the meeting to the commencement of DOCA:

"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to the commencement of DOCA be fixed up to a maximum amount of \$25,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 10 – for work to be from the commencement of DOCA to completion:

"That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the commencement of DOCA to completion be fixed up to a maximum amount of \$20,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 11 – for work to be completed during the Nuheara Group Creditors' Trust (if applicable):

"That the remuneration of the Trustees of the Nuheara Group Creditors' Trust, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the date of commencement of the Trust to completion be fixed up to a maximum amount of \$130,000 combined, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 12 – for work to be completed during the liquidation (if applicable):

"That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to completion be fixed up to a maximum amount of \$30,000 plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Disbursements

Resolution 13 – for disbursements already incurred:

"That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$207.77, plus any applicable GST, and may be paid."

Creditor Information Sheet

Offences, Recoverable transactions and Insolvent Trading



Offences

A summary of offences that may be identified by the administrator:

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties.
181	Failure to act in good faith.
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of his position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment.
206A	Contravening an order against taking part in management of a corporation.
206A, B	Taking part in management of corporation while being an insolvent under an administration.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209[3]	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of auditor.
314-7	Failure to comply with requirements for financial statement preparation.
437C	Performing or exercising a function or power as officer while a company is under administration.
437D[5]	Unauthorised dealing with company's property during administration.
438B[4]	Failure by directors to assist administrator, deliver records and provide information.
438C[5]	Failure to deliver up books and records to administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

Voidable Transactions

Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Where a creditor receives a preferred payment, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under either the Corporations Act.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.

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AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION

The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only have to have been entered into any time on or before the day when the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

Liquidators have the power to reclaim "unreasonable payments" made to directors by companies prior to liquidation. The provision relates to transactions made to, on behalf of, or for the benefit of, a director or close associate of a director. To fall within the scope of the section, the transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

Insolvent Trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they actually did so expect;
- they did not take part in management for illness or some other good reason; or,
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

We are using the Creditors' Portal as the primary tool for communicating with creditors and managing claims.

E – Short guide to the Creditors' Portal

We have prepared this short guide to assist you as a creditor to understand the process that you must undertake to ensure you are appropriately registered as a creditor of the Company.

Please note, the email registered on the Creditors' Portal will receive all notifications including circulars and reports issued by the Administrators.

Please refer to the following link for further guidance on how to register, submit and manage a claim:
<https://creditors.accountants/Help>

Step 1: Register



- Register as a user at the following link: <https://creditors.accountants/> (use chrome, edge or firefox).
- You will receive a confirmation email to verify your account (verify your email address within 24 hours of registering as a user).
- Once verified, you will be redirected to the Portal.
- If you are already a registered user, please skip to "Login" below.

Step 2: Log in



- Log into the Portal using your username and password.
- You will be redirected to a screen where you need to input the following details:
 - Company creditor – an ABN; or
 - Individual creditor – first and last name.
- You will be prompted to make a declaration to confirm that you are authorised to act on behalf of the company or individual and agree on how you wish to receive future correspondence.

Step 3: Link creditor



- Once you have completed your declaration, you will be redirected to the Portal landing page where you can view the Company under "*Recent Interactions*".
- If you cannot view the Company listed on the landing page you may need a creditor code to link your profile to the Company.
- Please contact Bohan Teakle at nuheara@kpmg.com.au for a unique code to register your claim.
- Once you receive your creditor code, log in and click on your user name in the top right hand side and click on "*Creditor Admin*" and input your code and click "*Link*".
- There will be an option to provide an ABN (if relevant) for company creditors, click "*I do not have an ABN*" (individuals) and then click "continue".

Step 4: View company and documents



- You will be able to view the Company on the landing page or under the "Debtors" tab and click "My debtors" or "My claims". Click on "Details" to be directed to the Company.
- You will be able to view any documents uploaded under the "Documents" tab that relate to the Company.
- There are additional resources that you can also access under the "Resources" tab.

Step 5: Submit a Formal Proof of Debt Form (POD)



- You will be able to view the Company on the landing page or under the "Debtors" tab and click "My debtors" or "My claims". Click on "Details" to be directed to the Company.
- Click on the "Proof of Debt" tab.
- Click on the "Submit" button and start completing the POD form.
- Tick "No" to the question "Is your Proof of Debt informal". If you are an employee creditor, this will not be an option.
- Upload any supporting documentation for consideration.
- Press "Next" and "Submit".

Step 6: Be admitted for voting (performed by the Administrators)



- Once you have submitted a POD with supporting documentation, we will evaluate your claim to admit for voting purposes at the meeting.
- If necessary, the Administrators will request further information with respect to your claim.

Step 7: Appoint a proxy (required for company creditors, optional for individuals)



- If you are a company creditor or individual that is appointing the Chairperson or an alternative person to vote (alternate email to the email registered initially) please complete a proxy form attached to the report to creditors and submit **via email** to Bohan Teakle at nuheara@kpmg.com.au.
- The Administrator will provide the nominated proxy holder with a unique creditor code prior to the meeting for voting purposes only.
- The nominated proxy holder will need to register on the Portal (**Step 1 to Step 3**) to be provided with access to vote at the online meeting on behalf of the creditor.

F1.1 – Orecchio Pty Ltd DOCA proposal received

Email extract dated 7 March 2025 – confirming

From: Richard Beissel <RBeissel@CowellClarke.com.au>
Sent: Friday, 7 March 2025 5:07 PM
To: Barrett, Michael <mbarrett@tglaw.com.au>
Cc: Thomas Hill <THill@CowellClarke.com.au>; Peter Leech <PLeech@CowellClarke.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>
Subject: RE: DOCA proposal [TGLAW-Legal.FID4248799]

Dear Michael - further to our discussions today, I confirm in relation to Orecchio's revised DOCA proposal:

1. It is not less than 20c in the \$
2. We have provided you and your client with a letter of comfort from Farjoy (and Fiago).

[REDACTED]

Kind regards

Richard Beissel
Director
D: +61 8 8228 1140 | M: +61 405 357 312
E: RBeissel@CowellClarke.com.au
ADELAIDE: Level 9, 63 Pirie Street, Adelaide, SA 5000, Australia
SYDNEY: Level 2, 50 Pitt Street, Sydney, NSW 2000, Australia

Our Ref: 243627_3464-8970-0151_4

6 March 2025

Mr Martin Jones, Joint and Several Administrator
NuHeara Limited (Administrators Appointed) KPMG
Level 8, 235 St Georges Terrace
PERTH WA 6000

By email: martinjones@kpmg.com.au

Dear Sir/Madam

NuHeara Limited (Administrators Appointed)

We are instructed on behalf of Orecchio Pty Ltd ("Proponent") to submit a variation to the proposed Deed of Company Arrangement ("DOCA") for NuHeara Limited (Administrators Appointed) ("NUH"), NuHeara IP Pty Ltd (Administrators Appointed) ("Nuheara IP") and Terrace Gold Pty Ltd (Administrators Appointed) ("Terrace") (taken together, the "Group").

DOCA in respect of NUH

The elements of the proposed DOCA for NUH are as follows:

1. The joint and several deed administrators would be Martin Jones, Matthew Woods and Clint Joseph.
2. The parties to the DOCA will be the Group, the deed administrators and the Proponent.
3. The deed administrators will have all of the powers set out in Schedule 8A of the Corporations Regulations.
4. Subject to fulfilment of each of the matters referred to in paragraphs 6, 7, 11 and 13, the deed administrators will seek to procure the liquidation of NUH on or before 30 June 2025.
5. The establishment of a creditors' trust in accordance with the provisions of paragraph 36 below.
6. The Proponent will as a condition of the Asset Sale Agreement referred to in paragraph 13 below, offer employment to all current employees of NUH, consistent with their present employment terms and conditions and will assume the liability of NUH for all unpaid or accrued employee entitlements. The deed administrators will terminate the employment of all employees who accept such offers of employment.
7. The deed fund will be distributed as follows:

ADELAIDE
All correspondence to:
Level 9, 53 Pirie Street
Adelaide SA 5000
Tel: 8 8228 1111

Cowell Clarke Pty Ltd | ABN 17 631 601 397
www.cowellclarke.com.au

Liability limited by a scheme approved under
the Professional Standards Legislation

SYDNEY
Level 2, 50 Pitt Street
Sydney NSW 2000
Tel: 61 2 8255 6900

- 7.1 Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 7.2 Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 7.3 Thirdly, in the case of employees who are not employed by the Proponent in accordance with paragraph 6, payment of entitlements that would, in a liquidation, be accorded a priority under section 556(1), 560 and 561 of the Corporations Act, including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
 - 7.4 Fourthly, in payment of a dividend to arm's length non-priority unsecured creditors.
8. The deed fund will be made up of:
- 8.1 The net funds received and receivable by the administrators during the administration period ("**Administration Balance**");
 - 8.2 A payment made by the Proponent as payment for the assets and undertakings of NUH pursuant to the ASA as defined in paragraph 13 below ("**Deed Contribution**"); and
 - 8.3 A further amount to become payable into the creditors' trust if:
 - 8.3.1 the Proponent effects a sale of the business by 30 June 2026; *or*
 - 8.3.2 the Proponent earns a net profit after tax for the financial year ending 30 June 2026 to allow it to make such payment; and

in both cases, from its profits after deducting its debts (whether or not due and payable) and the paid up capital of the Proponent, up to a further 30c/\$ (in each case the "**Uplift Amount**").
9. The Deed Contribution will be such amount as is required further and in addition to the Administration Balance so as to effect:
- 9.1 Payment in full of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 9.2 Payment in full of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 9.3 To the extent there are such claims, payment in full of all entitlements that would, in a liquidation, be accorded a priority under sections 556(1), 560 and 561 of the Corporations Act including in respect of employees plus unpaid superannuation contributions and annual leave entitlements;
 - 9.4 Payment of a dividend to arm's-length non-priority unsecured creditors which will be paid from the Deed Contribution and which based upon existing claims in the Administration is presently estimated to result in a dividend of approximately 20c/\$ to such creditors on a *pari-passu* basis; and
 - 9.5 If an Uplift Amount becomes payable, a further dividend payable to arm's-length non-priority unsecured creditors from the creditors' trust being their share on a *pari-passu* basis of the Uplift Amount, after deduction of the trustees' reasonable remuneration, costs and expenses.

10. For the purpose of the DOCA the obligations of the Group and the administrators to make payment under the Funding Term Sheet dated 18 November 2024 will be administrators' liabilities for the purpose of clauses 7.1 and 9.1 herein ("First Funding Agreement").
11. For the purpose of the DOCA further payment of \$570,000 foreshadowed in the earlier DOCA proposal will also be administrators' liabilities under s443A of the Act for the purpose of clauses 7.1 and 9.1 herein.
12. The deed administrators will not cause any of the Group to make claims or prove for or receive distributions based on an inter-group loan account balances.
13. The Proponent will enter into an asset sale agreement ("ASA") within 7 days from the date of this letter pursuant to which NUH will sell to the Proponent the following assets and undertakings:
 - 13.1 The property of NUH which is the subject of a registered security agreement bearing no 202403150083941 in the Register established under the *Personal Property Securities Act 2009* (Cth) ("Property") in favour of Realtek Semiconductor Corporation ("Realtek"). The consideration for the purchase of the Property is \$500,000 which will be payable to Realtek on completion of the ASA and such consideration shall in no circumstances be available to the creditors of NUH other than Realtek or for the purpose of meeting any of the liabilities referred to in paragraph 9 of this letter. The order to be sought pursuant to s442C of the Act will also seek to discharge the security referred to in this paragraph 12 held by Realtek over the Property.
 - 13.2 All other property, assets and undertakings of NUH and the Subsidiaries required for the conduct of the Nuheara business (including, without limitation, all registered intellectual property and the "Nuheara" business name), which may include the shares in NuHeara IP (at the election of the Proponent) and the transfer of employees to the extent that the employees consent to the same.
14. The DOCA will take effect (the "commencement date") upon each of the following being satisfied:
 - 14.1 The execution of the DOCA by the parties to it.
 - 14.2 Execution of the subsidiary DOCAs referred to below.
15. The Deed Contribution will be payable upon the later of:
 - 15.1 The commencement date; and
 - 15.2 Fourteen days from the deed administrators informing the Proponent of their reasonable estimate of the net amount required to satisfy the obligations set out in paragraph 9 herein.
16. If there are any funds remaining after payment of the amounts provided for by clause 9, such funds will be returned to the Proponent.
17. From the commencement date there will be a moratorium in place against any enforcement of unsecured creditors' claims. Creditors entitled to prove must accept their entitlements under the DOCA in satisfaction of all claims they had when the administration began.
18. The property available for distribution to participating creditors will be limited to the amounts in the deed fund.
19. The DOCA will be fully effectuated upon payment of a dividend comprising the amounts referred to in paragraphs 9.3 and 9.4.

20. The DOCA will include standard terms providing for termination of the DOCA as determined to be appropriate by the administrators. The DOCA may also be terminated on grounds as provided for in the Corporations Act.

DOCAs for NuHeara IP Pty Ltd (Administrators Appointed) and Terrace Gold Pty Ltd (Administrators Appointed) (collectively "the Subsidiaries").

21. The Proponent also proposes a DOCA for the Subsidiaries which are also in administration. There could be one or two separate DOCAs.
22. The joint and several deed administrators would be Martin Jones, Matthew Woods and Clint Joseph.
23. The parties to the DOCA will be the relevant companies, the deed administrators and the Proponent.
24. The deed administrators will have all of the powers set out in Schedule 8A of the Corporations Regulations.
25. The deed fund in respect of the Subsidiaries (which for the avoidance of doubt is a separate fund to that referred to in paragraph 7 above) will be distributed as follows:
- 25.1 Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 25.2 Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 25.3 Thirdly, to the extent there are such claims, in payment of entitlements that would, in a liquidation, be accorded a priority under section 556(1), 560 and 561 of the Corporations Act, including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
 - 25.4 Fourthly, in payment of a dividend to arm's length non-priority unsecured creditors.
26. The deed fund in respect of the subsidiaries will be made up of:
- 26.1 The relevant Administration Balances in respect of the Subsidiaries (if any); and
 - 26.2 A payment made by the Proponent ("Subsidiary Deed Contribution").
27. The Subsidiary Deed Contribution will be such amount as is required further and in addition to the Administration Balance so as to effect:
- 27.1 Payment in full of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 27.2 Payment in full of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 27.3 Payment in full of all entitlements that would, in a liquidation, be accorded a priority under sections 556(1), 560 and 561 of the Corporations Act including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
 - 27.4 Payment of such dividend to arm's-length non-priority unsecured creditors (if any) on the same terms specified in paragraph 9.4 above.

28. The establishment of a creditors trust in accordance with paragraph 36 below.
29. The subsidiary DOCAs will take effect upon each of the following being satisfied:
 - 29.1 Execution of the subsidiary DOCAs; and
 - 29.2 The commencement of the NUH DOCA.
30. The Deed Contribution will be payable upon the later of:
 - 30.1 The commencement date; and
 - 30.2 Fourteen days from the deed administrators informing the Proponent of their reasonable estimate of the net amount required to satisfy the obligations set out in paragraph 26 above.
31. If there are any funds remaining after payment of the amounts provided for by paragraph 26, such funds will be returned to the Proponent.
32. From the commencement date there will be a moratorium in place against any enforcement of unsecured creditors' claims. Creditors entitled to prove must accept their entitlements under the DOCA in satisfaction of all claims they had when the administration began.
33. The property available for distribution to participating creditors will be limited to the amounts in the deed fund.
34. The DOCA will be fully effectuated upon payment of a dividend comprising the amounts referred to in paragraph 27.
35. The DOCA will include standard terms providing for termination of the DOCA as determined to be appropriate by the administrators. The DOCA may also be terminated on grounds as provided for in the Corporations Act.
36. Upon the payment of the Deed Contribution and Subsidiary Deed Contribution in respect of each of the DOCAs, the deed administrators will establish a creditors' trust to be known as the "Nuheara Group Creditors' Trust" ("Trust").
 - 36.1 The deed administrators will be the trustees of the Trust and will administer it;
 - 36.2 Upon execution of the trust deed for the Trust, all admissible creditor claims against NUH and the Subsidiaries being that of employees or participating unsecured creditors will be transferred to the Trust and become liabilities of the Trust with NUH and the Subsidiaries being released and discharged from the same;
 - 36.3 Upon the execution of the trust deed for the Trust, the amount held by the deed administrators by way of the Deed Fund will be paid to the trustees of the Trust to be administered and dealt with in accordance with the terms of the trust deed.
37. The Proponent will provide an undertaking on a basis reasonably acceptable to the administrators:
 - 37.1 to trade the business utilising the assets purchased pursuant to the ASA, and employing the staff to whom it makes offers of employment which are accepted for a period of at least 6 months from the commencement date unless earlier sold; and
 - 37.2 to utilise the goods and services of supplier non-priority unsecured creditors wherever practicable in the course of such trading.

If you would like to discuss any aspect of the above proposal, please do not hesitate to get in touch.

Yours faithfully
Cowell Clarke

Per: 

Richard Beissel
Director
RBeissel@cowellclarke.com.au

Copy to: Kieran Chu, KPMG
By email: kchu2@kpmg.com.au

F1.2 – Realtek Semiconductor Corporation DOCA proposal received



Our ref: DGS:117912
Contact: David Sanders
Telephone: +61 8 6316 2200
Email: dsanders@bennettlaw.com.au

28 February 2025

Michael Barrett
Partner
Thomson Geer
By Email: mbarrett@tglaw.com.au

Dear Michael

Realtek DOCA Proposal

I refer to your email this afternoon in relation to the above matter.

As requested, I have set out below the terms agreed between our respective clients yesterday in relation to my client's DOCA Proposal.

DOCA in respect of NUH

The elements of the proposed DOCA for NUH are as follows:

- 1 The joint and several deed administrators would be Martin Jones, Matthew Woods and Clint Joseph.
- 2 The parties to the DOCA will be the Group, the deed administrators and a special purpose vehicle nominated by Realtek which will provide the funding (Proponent). Realtek will not be party to this DOCA and will not have any obligations under the DOCA itself but will guarantee in favour of the Administrators the discharge by the Proponent of its obligations under the DOCA. That guarantee will be signed within 1 Business Day of the creditors of the Group approving the Group entering into a DOCA on the terms set out in this document.
- 3 The deed administrators will have all of the powers set out in Schedule 8A of the Corporations Regulations.
- 4 Proponent will contribute to a deed fund to be distributed as follows:
 - 4.1 Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration. As at the date of this proposal Realtek acknowledges that these amounts are estimated as follows:



Whadjuk Noongar Boodja
Level 14, Westralia Square
141 St Georges Terrace
PERTH WA 6000
Australia

PO Box 7766
Cloisters Square
PERTH WA 6850

T + 61 8 6316 2200
F + 61 8 6316 2211
bennettlaw.com.au

Lawfirst Pty Ltd
ABN 69 147 622 197
An incorporated legal practice
trading as Bennett.

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NUH	Relevant clause	NUH
Administrators balance		280,664
Azure fee		TBC
Administrators' fees incurred from date of appointment to 17 January 2025		(848,777)
Estimated Administrators fees from 18 January 2025 to the Reconvened Meeting of Creditors (25 Feb 25)	4.1	(296,612)
Estimated Administrators fees from Reconvened Meeting of Creditors (26 Feb 25) to the Final Reconvened Meeting of Creditors (17 Mar 25)		(150,000)
Estimated Administrators fees from the Final Reconvened Meeting of Creditors to the execution of the DOCA		(50,000)
Estimated Administrators' disbursements and legal fees		(100,000)
Realtelk Payment pursuant to Court Order dated 26 February 2025		200,000
Net Priority Costs		(964,725)
Estimated Deed Administrators fees (commencement to completion)	4.2	(75,000)
Total Net Priority Costs		(1,039,725)
Total VA Loan	4.1	(1,395,775)
Realtelk March 25 (trading only)		(274,733)
Realtelk Payment pursuant to Court Order dated 26 February 2025		274,733
Total		(2,435,500)

- 4.2 Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
- 4.3 Thirdly, to meet in full the priority entitlement of any employees who are not employed by the Proponent in accordance with paragraph 9 below; and
- 4.4 Fourthly, in payment of a dividend to arm's length non-priority unsecured creditors' creditors whose proofs of debt are admitted by the Deed Administrators as admissible debts in the DOCA (Unsecured Creditor) of 21.1 cents in the dollar.
- 5 The deed fund will be made up of:
- 5.1 The net funds received and receivable by the administrators during the administration period (Administration Balance); and
- 5.2 A payment made by the Proponent to ensure that the fund is sufficient to meet all of the obligations set out in paragraph 4 above;
- 5.3 In respect of funding of the administrators' liabilities, administrators' disbursements and administrators' remuneration pursuant to cl 4.1, for the period between 28 February 2025 until the execution of the DOCA will be funded by the Proponent. For this purpose the Proponent will, in accordance with paragraph 3 of the Court's order dated 25 February 2025, pay the amount of \$501,528.80 inclusive of GST to the Administrators' Lawyers Trust Account on or before 5pm AWST on Thursday 27 February 2025. This amount is broken down as follows:
- 5.3.1 Operating costs for March 2024 \$274,733;
- 5.3.2 Administrators' estimated remuneration \$100,000;
- 5.3.3 Administrators' estimated legal fees \$100,000;
- 5.3.4 GST \$26,796.02.

To the extent that any such amounts are not incurred then they will be credited to the Deed Fund. For the avoidance of doubt any remuneration or legal fees incurred between the date of payment and the execution of the DOCA are not refundable.

The payment to be made pursuant to the Court's order will be the subject of a separate funding agreement.

5.4 The Deed Fund will comprise the following:

Deed Fund - Summary	Relevant Clause	Amount \$
NUH	4.1/4.2	(1,520,389)
Less: Funds paid under Orders made on 25 February 2025 (Excluding March 25 Funding)		200,000
Less: Administrators Balance	4.1	280,664
Total NUH		(1,039,725)
NUH IP	4.1/4.2	(66,379)
Terrace Gold	4.1/4.2	(67,321)
Repayment of VA Funding Loan	4.1	(1,395,775)
Employee Entitlements	4.3	(825,425)
Unsecured Creditor Contribution (capped @21.1c/\$ based upon \$4.82m unsecured claims)(estimated)	4.4	(1,018,672)
Deed Fund		(4,413,298)

- 6 The deed administrators will not cause any of the Group to make claims or prove for or receive distributions based on an inter-group loan account balances.
- 7 Proponent will enter into an asset sale agreement (ASA) to acquire all of the property, assets and undertakings of NUH and its affiliates reasonably required for the conduct of the Nuheara business (including, without limitation, logos, designs, design rights, copyright, patents, patent applications, drawings discoveries, inventions, improvements, trade secrets, technical data, formulae, computer programs, data bases including customer data bases, knowhow and similar industrial or intellectual property rights and the "Nuheara" business name), which includes the shares in Nuheara IP except for the Administration Balance in consideration for the secured debt currently owned by NUH to Realtek including the principal amount of \$2,500,000 which continues to accrue interest and late payment charges.
- 8 The DOCA will take effect upon each of the following being satisfied:
- 8.1 The execution of the DOCA by the parties to it; and
- 8.2 Execution of the subsidiary DOCAs referred to below.
- 9 Unfortunately the Proponent has not been provided details as to the existing employees of NUH, their duties or remuneration packages, but as part of its DOCA proposal the Proponent would look to interview all employees on an urgent basis to discuss with them offering ongoing employment with the Proponent to continue to work on the development of NUH's technology
- 10 Realtek agrees in relation to the application made by the Administrators in action no [] the subject of orders of the Federal Court made on 21 February 2025:
- 10.1 Subject only to it on appeal obtaining an order that it no pay such costs, to pay the Administrators Costs of the application within 14 days of the same being agreed or assessed by the Court; and
- 10.2 For the avoidance of doubt, should this proposal be accepted at a meeting of creditors pursuant to s439A of the Act, it will not appeal those orders.

DOCA for Nuheara IP

The elements of the proposed DOCA for Nuheara IP are as follows:

- 1 The joint and several deed administrators would be Martin Jones, Matthew Woods and Clint Joseph.
- 2 The parties to the DOCA will be the relevant companies, the deed administrators and the Proponent.
- 3 The deed administrators will have all of the powers set out in Schedule 8A of the Corporations Regulations.
- 4 The deed fund in respect of the Nuheara IP will be distributed as follows:
 - 4.1 Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration. As at the date of this proposal Realtek acknowledges that these amounts are estimated as follows:

NUH IP	Relevant clause	NUH IP
Administrators' fees incurred from date of appointment to 17 January 2025		(4,624)
Estimated Administrators fees from 18 January 2025 to the Reconvened Meeting of Creditors (25 Feb 25)		(1,756)
Estimated Administrators fees from Reconvened Meeting of Creditors to the Final Reconvened Meeting of Creditors	4.1	(15,000)
Estimated Administrators fees from the Final Reconvened Meeting of Creditors to the execution of the DOCA		(25,000)
Total Administrators Fees		(46,379)
Estimated Deed Administrators Remuneration execution of the DOCA to completion	4.2	(20,000)
Total		(66,379)

- 4.2 Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
- 4.3 Thirdly, to the extent there are such claims, in full payment of entitlements that would, in a liquidation, be accorded a priority under section 556(1), 560 and 561 of the Corporations Act, including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
- 4.4 Fourthly, in payment of a dividend to arm's length non-priority Unsecured Creditors of 21.1 cents in the dollar.
- 5 The deed fund in respect of Nuheara IP will be made up of:
 - 5.1 The relevant Administration Balances in respect of Nuheara IP; and
 - 5.2 A payment made by the Proponent to ensure that the fund is sufficient to meet all of the obligations set out in paragraph 4 above.

DOCA for Terrace

The elements of the proposed DOCA for Terrace are as follows:

- 1 The joint and several deed administrators would be Martin Jones, Matthew Woods and Clint Joseph.
- 2 The parties to the DOCA will be the relevant companies, the deed administrators and the Proponent.
- 3 The deed administrators will have all of the powers set out in Schedule 8A of the Corporations Regulations.

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- 4 The deed fund in respect of Terrace will be distributed as follows:
- 4.1 Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration, which are included in the NUH. As at the date of this proposal Realtek acknowledges that these amounts are estimated as follows:

Terrace Gold	Relevant clause	Terrace Gold
Administrators' fees incurred from date of appointment to 17 January 2025		(4,379)
Estimated Administrators fees from 18 January 2025 to the Reconvened Meeting of Creditors (25 Feb 25)		(2,943)
Estimated Administrators fees from Reconvened Meeting of Creditors to the Final Reconvened Meeting of Creditors	4.1	(15,000)
Estimated Administrators fees from the Final Reconvened Meeting of Creditors to the execution of the DOCA		(25,000)
Total Administrators Fees		(47,321)
Estimated Deed Administrators fees (commencement to completion)	4.2	(20,000)
Total		(67,321)

- 4.2 Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration; and
- 4.3 Thirdly, in payment of a dividend to arm's length non-priority Unsecured Creditors of 21.1 cents in the dollar.
- 5 The deed fund in respect of Terrace will be made up of:
- 5.1 The relevant Administration Balances in respect of Terrace; and
- 5.2 A payment made by the Proponent to ensure that the fund is sufficient to meet all of the obligations set out in paragraph 4 above.

Yours sincerely



David Sanders
Corporate Counsel

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G – Forms to be Completed

Creditors should review the contents of this report and complete the following forms by **4:00pm** on 14 March 2025:

Form/ voting	Where to submit
Appointment of Proxy - (Form 532) Creditors of NUH - (Annexure G1.1) Creditors of NUH IP - (Annexure G1.2) Creditors of Terrace Gold - (Annexure G1.3)	Email: nuheara@kpmg.com.au Post: GPO Box A29, PERTH WA 6837
COI Nomination Form (only applicable for liquidation) (Annexure G2)	
Proof of Debt - (Form 535)	Via Creditors' Portal https://creditors.accountants/

G1.1 – Appointment of Proxy: Nuheara Limited

Form 532 - Appointment of Proxy
Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return to no later than 4:00pm AWST 14 March 2025 to:
 KPMG GPO Box A29, PERTH WA 6837
 Tel: +61 8 9263 7171
 Fax: +61 8 9263 7129
 Email: nuheara@kpmg.com.au

Indebted Company: Nuheara Limited (Administrators Appointed)
ACN 125 167 133
Date of Appointment: 7 August 2024

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

¹ (if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of
 (address)

³ Tel:

⁴ Email:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

¹ I/We, as named in Section A above, a creditor / employee of the Company, appoint

²
 (name of person appointed as proxy)

⁴ or in his / her absence

(address of person appointed as proxy)

⁵
 (name of person appointed as alternate proxy)

⁷ as *my / *our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on 17 March 2025 at 11:30am AWST at the offices of KPMG, Level 8, 235 St Georges Terrace, PERTH WA 6000.

C. Voting Instructions

¹ *My / *Our proxy, as named in Section B above, is entitled to act as *my / *our:

² general proxy, to vote on *my / *our behalf and / or

³ special proxy, to vote on *my / *our behalf specifically as follows:

Resolution	For	Against	Abstain
Future of the company			
1. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting by Orecchio Pty Ltd (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting by Realtek Semiconductor Corporation (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the Administration should end and control of the company be returned to the Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
4. That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If the Company is wound up			
5. If the Company is wound up and an alternate Liquidator is proposed, a resolution will be put to the meeting to consider any alternative appointee (if applicable).	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
6. That a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
Voluntary Administrator's Remuneration			
7. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$1,206,422, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 1 March 2025 to 17 March 2025 be fixed up to a maximum amount of \$150,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to the commencement of DOCA be fixed up to a maximum amount of \$50,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deed Administrator's Remuneration – if applicable			
10. That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the commencement of DOCA to completion be fixed up to a maximum amount of \$75,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustees Remuneration – only applicable in Orecchio's DOCA			
11. That the remuneration of the Trustees of the Nuheara Group Creditors' Trust, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the date of commencement of the Trust to completion be fixed up to a maximum amount of \$130,000 combined, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liquidator's Remuneration – if applicable			
12. That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to completion be fixed up to a maximum amount of \$200,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Voluntary Administrator's Disbursements			
13. That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$1,331.18, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

G1.2 – Appointment of Proxy: Nuheara IP Pty Ltd

Form 532 - Appointment of Proxy

Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return to no later than 4:00pm AWST 14 March 2025 to:

KPMG GPO Box A29, PERTH WA 6837

Tel: +61 8 9263 7171

Fax: +61 8 9263 7129

Email: nuheara@kpmg.com.au

Indebted Company: Nuheara IP Pty Ltd (Administrators Appointed)

ACN 605 704 096

Date of Appointment: 7 August 2024

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

¹

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of

(address)

³ Tel:

⁴ Email:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

¹ I/We, as named in Section A above, a creditor / employee of the Company, appoint

²

(name of person appointed as proxy)

³

⁴ or in his / her absence

(address of person appointed as proxy)

⁵

(name of person appointed as alternate proxy)

⁶

⁷ as *my / *our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on 17 March 2025 at 11:30am AWST at the offices of KPMG, Level 8, 235 St Georges Terrace, PERTH WA 6000.

C. Voting Instructions

¹ *My / *Our proxy, as named in Section B above, is entitled to act as *my / *our:

² general proxy, to vote on *my / *our behalf and / or

³ special proxy, to vote on *my / *our behalf specifically as follows:

Resolution	For	Against	Abstain
Future of the company			
1. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting by Orrechio Pty Ltd (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting by Realtek Semiconductor Corporation (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the Administration should end and control of the company be returned to the Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
4. That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If the Company is wound up			
5. If the Company is wound up and an alternate Liquidator is proposed, a resolution will be put to the meeting to consider any alternative appointee (if applicable).	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
6. That a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
Voluntary Administrator's Remuneration			
7. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$5,447, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 1 March 2025 to 17 March 2025 be fixed up to a maximum amount of \$15,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to the commencement of DOCA be fixed up to a maximum amount of \$25,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deed Administrator's Remuneration – if applicable			
10. That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the commencement of DOCA to completion be fixed up to a maximum amount of \$20,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustees Remuneration – only applicable in Orecchio's DOCA			
11. That the remuneration of the Trustees of the Nuheara Group Creditors' Trust, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the date of commencement of the Trust to completion be fixed up to a maximum amount of \$130,000 combined, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liquidator's Remuneration – if applicable			
12. That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 25 February 2025 to completion be fixed up to a maximum amount of \$30,000 plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Voluntary Administrator's Disbursements			
13. That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$207.77, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

G1.3 – Appointment of Proxy: Terrace Gold Pty Ltd

Form 532 - Appointment of Proxy
Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return to no later than 4:00pm AWST 14 March 2025 to:
 KPMG GPO Box A29, PERTH WA 6837
 Tel: +61 8 9263 7171
 Fax: +61 8 9263 7129
 Email: nuheara@kpmg.com.au

Indebted Company: Terrace Gold Pty Ltd (Administrators Appointed)
ACN 072 608 952
Date of Appointment: 7 August 2024

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

¹

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of

(address)

³ Tel:

⁴ Email:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

¹ I/We, as named in Section A above, a creditor / employee of the Company, appoint

²

(name of person appointed as proxy)

³

⁴ or in his / her absence

(address of person appointed as proxy)

⁵

(name of person appointed as alternate proxy)

⁶

⁷ as *my / *our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on 17 March 2025 at 11:30am AWST at the offices of KPMG, Level 8, 235 St Georges Terrace, PERTH WA 6000.

C. Voting Instructions

¹ *My / *Our proxy, as named in Section B above, is entitled to act as *my / *our:

² general proxy, to vote on *my / *our behalf and / or

³ special proxy, to vote on *my / *our behalf specifically as follows:

Resolution	For	Against	Abstain
Future of the company			
1. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting by Orecchio Pty Ltd (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting by Realtek Semiconductor Corporation (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the Administration should end and control of the company be returned to the Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
4. That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If the Company is wound up			
5. If the Company is wound up and an alternate Liquidator is proposed, a resolution will be put to the meeting to consider any alternative appointee (if applicable).	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
6. That a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
Voluntary Administrator's Remuneration			
7. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$6,422, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 1 March 2025 to 17 March 2025 be fixed up to a maximum amount of \$15,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to the commencement of DOCA be fixed up to a maximum amount of \$25,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deed Administrator's Remuneration – if applicable			
10. That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the commencement of DOCA to completion be fixed up to a maximum amount of \$20,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustees Remuneration – only applicable in Orecchio's DOCA			
11. That the remuneration of the Trustees of the Nuheara Group Creditors' Trust, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from the date of commencement of the Trust to completion be fixed up to a maximum amount of \$130,000 combined, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liquidator's Remuneration – if applicable			
12. That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 March 2025, for the period from 17 March 2025 to completion be fixed up to a maximum amount of \$30,000 plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Voluntary Administrator's Disbursements			
13. That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 7 March 2025 for the period from 7 August 2024 to 28 February 2025 be fixed in the amount of \$207.77, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Creditor Assistance Sheet: Completing a Proxy Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

Section B – Appointment of Person to Act as Proxy

1. Cross out any wording that is **not** applicable. For example, if the employee/individual/sole trader/partnership/company is a creditor, cross out "eligible employee creditor", "contributory", "debenture holder" and "member".
2. Insert the name of the person who will be exercising the creditor's vote at the meeting. If someone is attending the meeting in person, that person's name should be inserted. Alternatively, if someone is unable to attend, but you still want to cast a vote at the meeting, then you can appoint the Chairperson of the meeting to vote on your behalf by inserting the words 'the Chairperson' here.
3. Insert the address of the person nominated at (2) that will be attending the meeting as proxy. If you have elected 'the Chairperson' because no one is attending in person, leave this row blank.
4. Cross out any wording that is **not** applicable.
5. If the person you have elected to attend is unavailable on the day, you may nominate a second person to attend in their absence. Alternatively, you can appoint the Chairperson of the meeting to vote on your behalf by inserting 'the Chairperson'.
6. Insert the address of the second person here. If you have elected 'the Chairperson', leave this row blank.
7. Cross out any wording that is not applicable.

Section C – Voting Instructions

1. Cross out any wording that is not applicable.
2. Insert an 'X' in this box if you want the person who is attending the meeting to vote as they see fit on each of the resolutions in the 'Resolution' table. If you select this option, proceed to Section D, **unless** you wish to vote specifically on certain resolutions, in which case you also insert an 'X' in the special proxy box and select 'For', 'Against' or 'Abstain' on the resolutions. The person voting at the meeting will have discretion to vote as they see fit on any resolutions where you have **not** selected 'For', 'Against' or 'Abstain'.
3. Insert an 'X' in this box if you want the person who is attending the meeting, to vote exactly in accordance with your instructions. If you select this option, you must select 'For', 'Against' or 'Abstain' for each of the resolutions in the 'Resolution' table. Do not tick more than one box for each resolution.

Section D – Signature Instructions

1. Insert the date that the proxy form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: "[Full name], proprietor"; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: "[Full name], partner of the firm named in Section A above"; or
 - If the debt is owed to a company, note their capacity as director or secretary, eg: "[Full name], director/secretary of the company named in Section A above"

G2 – Nomination Form – COI

Nomination Form – Committee of Inspection
 Section 80-55 of Schedule to the Corporations Act 2001

Return no later than 4:00pm AWST 14 March 2025 to:
 KPMG GPO Box A29, PERTH WA 6837
 Tel: +61 8 9263 7171
 Fax: +61 8 9263 7129
 Email: nuheara@kpmg.com.au

Creditors please note – only to be completed if you wish to nominate a member to the COI (in a Liquidation scenario)

Indebted Company: Please indicate the company for which your formal Proof of Debt is provided for by ticking a box below. If you are a creditor for more than one company, please provide a separate form for each company you wish to lodge a claim against.

Date of Appointment: 7/08/2024

Company Name	ACN	Tick
Nuheara Limited	125 167 133	<input type="checkbox"/>
Nuheara IP Pty Ltd	605 704 096	<input type="checkbox"/>
Terrace Gold Pty Ltd	072 608 952	<input type="checkbox"/>

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

¹

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of

(address)

³ Tel:

⁴ Email:

B. Nomination of Person as Member of Committee of Inspection, if one is appointed

I/We, as named in Section A above, nominate

¹

(name of person nominated as member of Committee of Inspection, if one is appointed)

²

(address of person nominated as member of Committee of Inspection, if one is appointed)

³

(email address of person nominated as member of Committee of Inspection, if one is appointed)

C. Declaration in relation to Transactions with the Indebted Company

During the external administration, I/We, as named in Section A above, contemplate entering into the following transactions with the Indebted Company during the external administration¹:

continuance of service and/or supply agreements as detailed below:

.....

potential acquisition of the business and/or assets of the Indebted Company

other – please provide details below:

.....

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Creditor Assistance Sheet: Completing a Committee of Inspection Nomination Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

Section B – Nomination of Person as Member of Committee of Inspection, if one is appointed

1. Insert the name of the person who is being nominated by the creditor as the member of the Committee of Inspection.
2. Insert the address of the person nominated at (1).
3. Insert the email address of the person nominated at (1).

Section C – Declaration in relation to Transactions with the Indebted Company

1. Indicate the type of transactions contemplated between the person/entity named in Section A and the Indebted Company during the course of the external administration.

Section D – Signature Instructions

1. Insert the date that the nomination form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the company named in Section A above”]

G3 – Proof of Debt

Form 535 Formal Proof of Debt or Claim Form
Corporations Act 2001, Regulation 5.6.49(2)

Return to: KPMG GPO Box A29, PERTH WA 6837
Tel: +61 8 9263 7171
Fax: +61 8 9263 7129
Email: nuheara@kpmg.com.au

Indebted Company: Please indicate the company for which your formal Proof of Debt is provided for by ticking a box below. If you are a creditor for more than one company, please provide a separate form for each company you wish to lodge a claim against.

Date of Appointment: 7/08/2024

Company Name	ACN	Tick
Nuheara Limited	125 167 133	<input type="checkbox"/>
Nuheara IP Pty Ltd	605 704 096	<input type="checkbox"/>
Terrace Gold Pty Ltd	072 608 952	<input type="checkbox"/>

A. Name and Contact Details of Creditor

1

(the Creditor)

(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

2 of

(insert address)

3 Tel:

4 Email:

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 110E of the Corporations Act 2001, at the email address specified above.

B. Details of Debt or Claim

1 Amount owing:

(insert dollars and cents, inclusive of GST if applicable)

2 Nature of Debt or Claim:

(insert description of debt and/or reference any supporting documentation)

3 Select one of the following options:

- The Creditor is an unsecured creditor of the indebted Company
- The Creditor is a secured creditor of the indebted Company
- The Creditor is an employee / former employee of the indebted Company
- The Creditor is a related party (please indicate: secured / unsecured)

For all claims:

4 I have attached supporting documentation to substantiate the Creditor's claim (secured creditors must attach evidence of security)

5 To my knowledge or belief the creditor has not, nor has any person by the creditor's order had or received any satisfaction or security for the sum or any part of it except for the following:

(insert details and value of security where relevant)

C. Signature

1 Dated:

2 Signature:

³ Name / Capacity:

Creditor Assistance Sheet: Completing a Proof of Debt Form

Section A – Name and Contact Details of Creditor

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

Section B – Details of Debt or Claim

1. The amount owing should only include debts or claims which arose prior to the date of appointment.
2. Insert the currency if not Australian dollars.
3. Type of creditor: tick one of the options only.
4. For all claims, ensure supporting documentation is attached, such as invoices, statements, agreements.
5. For secured creditors, insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, indicate "refer attached" above and show them in a schedule in the following form:

Date	Drawer	Acceptor	Amount (\$)	Due Date

Section C – Signature Instructions

1. Insert the date that the Proof of Debt Form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: "[Full name], proprietor"; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: "[Full name], partner of the firm named in Section A above"; or
 - If the debt is owed to a company, note their capacity as director or secretary, eg: "[Full name], director/secretary of the company named in Section A above"

Form 59

Rule 29.02(1)

Federal Court of Australia

No of 2025

District Registry: Western Australia

Division: Corporations

IN THE MATTER OF NUHEARA LIMITED (ADMINISTRATORS APPOINTED)

ACN 125 167 133

Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara Limited (administrators appointed) ACN 125 167 133

Plaintiffs

Realtek Semiconductor Corporation

Defendant

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MBJ-49**" now produced and shown to Martin Bruce Jones at the time of swearing his affidavit on 11 March 2025.

Caleb Delaney


.....
Signature of deponent

.....
CALEB ANDREW DELANEY
of 525 Collins Street Melbourne
being an Australian Legal Practitioner
within the meaning of the Legal Profession
Uniform Law (Victoria)

Exhibit "MBJ-49"
being a copy of correspondence between the
solicitors for Realtek and Administrators with
proposed s442c orders

From: Bird, Eden
Sent: Thursday, 6 March 2025 2:32 PM
To: David Sanders
Cc: Chloe Placzek; Oliveri, Melissa; Roost, Hedley; Dalitso Banda; Barrett, Michael
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]
Attachments: Plaintiffs' Proposed Orders - WAD41 of 2025 - 06.03.2025 (90370998v1).DOCX

Hi David,

Michael has asked me to pass on the below:

David

Respectfully I am not sure I follow your point.

The Court on 21 February 2025, made orders – reasons yet to be delivered – on the application of the Administrators to be given leave to sell the assets the subject of your client's security. It gave them that leave. If the creditors vote in favour of the Syndicate's proposal, which as you know is premised on an asset sale occurring, then the Administrators pursuant to the leave of the Court will be proceeding to sell those assets subject to the terms of the relevant ASA which has of course been disclosed to you.

We do not know why his Honour inserted into the order when referring to the meeting of creditors, the reference to 25 February – our draft minutes lodged with the Court did not refer to it. We also note the Order was made at a time when your client had chosen not to submit a proposal and it was the common position of all parties that the meetings of creditors would proceed on 25 February 2025. Indeed as you well know, that had to occur given the history of the convening of the second meeting of creditors.

Your client having lost the s442 application finally chose to submit a DOCA proposal but only did so late on the evening of 24 February. As a result the Administrators were required to make an urgent application to the Court on the morning of Tuesday 25 February 2025 to seek the adjournment of the meetings.

Given the stance you are apparently taking we enclose an amended minute which we ask your client to consent to. Please confirm this before **12noon AWST tomorrow 7 March 2025**.

If your client does not consent to the variation, we will be asking the Court to make the order at the hearing on Wednesday next and in doing so will be seeking costs against your client.

If you wish to discuss the matter, please contact me.

Regards

Michael Barrett | Partner
Thomson Geer
T +61 3 8080 3772 / +61 8 8236 1130 | M 0412 807 861
mbarrett@tqlaw.com.au | tqlaw.com.au

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ebird@tqlaw.com.au | tqlaw.com.au

Advice | Transactions | Disputes

From: David Sanders <dsanders@bennettlaw.com.au>
Sent: Thursday, 6 March 2025 11:23 AM
To: Barrett, Michael <mbarrett@tglaw.com.au>
Cc: Bird, Eden <ebird@tglaw.com.au>; Chloe Placzek <cplaczek@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Dalitso Banda <DBanda@bennettlaw.com.au>
Subject: Re: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

Hi Michael,

The Court order only applied to the meeting held on 25 February which did not approve the shareholder syndicate DOCA so that order is now moot.

I have copied in Dalitso in case he has a different view.

Kind regards

David Sanders
Corporate Counsel

Bennett
Litigation and Commercial Law

T +61 8 6316 2200	Whadjuk Noongar Boodja
D +61 8 6316 2223	Level 14, Westralia Square
M +61 439 999 968	141 St Georges Terrace
dsanders@bennettlaw.com.au	PERTH, WA 6000

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From: Barrett, Michael <mbarrett@tglaw.com.au>
Sent: Thursday, March 6, 2025 8:09:22 AM
To: David Sanders <dsanders@bennettlaw.com.au>
Cc: Bird, Eden <ebird@tglaw.com.au>; Chloe Placzek <cplaczek@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

[Confidential]

David thank you.

In terms of the second point, the Administrators of course have leave pursuant to s442C to sell the assets the subject of your client's security to the Syndicate in accordance with the terms of the ASA with the Syndicate.

regards

Michael Barrett | Partner
Thomson Geer

T +61 3 8080 3772 / +61 8 8236 1130 | M 0412 807 861

mbarrett@tqlaw.com.au | tqlaw.com.au

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From: David Sanders <dsanders@bennettlaw.com.au>
Sent: Thursday, 6 March 2025 11:05 AM
To: Barrett, Michael <mbarrett@tqlaw.com.au>
Cc: Bird, Eden <ebird@tqlaw.com.au>; Chloe Placzek <cplaczek@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tqlaw.com.au>; Roost, Hedley <hroost@tqlaw.com.au>
Subject: Re: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

Thanks Michael,

To be clear Realtek is comfortable for its proposal to be submitted to creditors for consideration.

Any new alternative proposal will however inevitably affect Realtek's rights as a secured creditor unless it includes providing immediate funding to enable the Administrators to pay out Realtek's secured debt in full up front.

Kind regards

David Sanders
Corporate Counsel

Bennett
Litigation and Commercial Law

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From: Barrett, Michael <mbarrett@tqlaw.com.au>
Sent: Thursday, March 6, 2025 7:43:31 AM
To: David Sanders <dsanders@bennettlaw.com.au>
Cc: Bird, Eden <ebird@tqlaw.com.au>; Chloe Placzek <cplaczek@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tqlaw.com.au>; Roost, Hedley <hroost@tqlaw.com.au>
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

[Confidential]

David

Thank you for your email. We received a few minutes ago a revised proposal from the Syndicate which has been sent to us on a subject to final instructions basis.

I will take instructions on whether it will be shared with your client ahead of the Syndicate proposal, once finalised, being the subject of the report to creditors. At this stage, to be frank, your client should already have put its final proposal which will be the subject of the report by the Administrators.

I otherwise look forward to hearing from you on:

1. The proposal of the Administrators that funds be paid to your trust account before the meeting of creditors which I wrote to you about yesterday and
2. The form of the DOCA sent to you yesterday evening.

Regards

Michael

Michael Barrett | Partner

Thomson Geer

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From: David Sanders <dsanders@bennettlaw.com.au>

Sent: Thursday, 6 March 2025 10:15 AM

To: Barrett, Michael <mbarrett@tqlaw.com.au>

Cc: Bird, Eden <ebird@tqlaw.com.au>; Chloe Placzek <cplaczek@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tqlaw.com.au>; Roost, Hedley <hroost@tqlaw.com.au>

Subject: Re: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

Dear Michael,

I will let you know as soon as I have instructions in relation to the attached draft and your early letter.

I am also working in parallel to progress the Business Sale and Purchase Agreement to enable it to be executed, noting that the DOCAs are conditions precedent to completion under that Agreement.

Are you able to confirm if you have received a revised proposal from the shareholder syndicate as foreshadowed and if so when you will be in a position to share that with us so we can also take instructions on that proposal?

Kind regards

David Sanders

Corporate Counsel

Bennett

Litigation and Commercial Law

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dsanders@bennettlaw.com.au

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From: Barrett, Michael <mbarrett@tglaw.com.au>
Sent: Wednesday, March 5, 2025 4:04:09 PM
To: David Sanders <dsanders@bennettlaw.com.au>
Cc: Bird, Eden <ebird@tglaw.com.au>; Chloe Placzek <cplaczek@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

[Confidential]

Hi David

I enclose a draft of the DOCA relating to your client's proposal. Please note that it is being sent to you at the same time as it is being provided to the Administrators and is sent on a subject to instructions basis.

Please revert with your comments shortly. I also look forward to your response concerning my letter of earlier today relating to the Administrators' concerns as to potential completion risk in respect of Realtek. The drafting in the attached document builds in those arrangements.

Finally, I was contacted shortly after 6pm tonight by the lawyers for the Syndicate who have told me they intend to put a revised proposal to me later tonight which proposes a material increase in the divided payable to unsecured creditors.

I look forward to hearing from you.

Regards

Michael

Michael Barrett | Partner
Thomson Geer

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mbarrett@tglaw.com.au | tglaw.com.au

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Domestic & Cross Border

Sydney | Melbourne | Brisbane | Perth | Adelaide | Canberra

Federal Court of Australia
District Registry: Western Australia
Division: Corporations

IN THE MATTER OF NUHEARA LIMITED ACN 125 167 133, NUHEARA IP PTY LTD ACN 605 704 096 AND TERRACE GOLD PTY LTD ACN 072 608 952 (ALL ADMINISTRATORS APPOINTED)

Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara Limited (administrators appointed) ACN 125 167 133 and others named in the Schedule

Plaintiffs

ORDERS

Judge: Justice O'Sullivan
Date of order: 7 March 2025
Where made: Perth

THE COURT ORDERS THAT:

1. Order 1 of 21 February 2025 be amended as follows:

"In the event a proposed deed of company arrangements, ~~annexed as Annexure AJF-3 to the affidavit of Andrew James Filing sworn 20 February 2025,~~ is accepted at the second meeting of creditors of Nuheara Limited (Administrators Appointed) (**Company**), to be held ~~on 25 February 2025~~ no later than 17 March 2025, the Plaintiffs as administrators have leave pursuant to s 442C of the Corporations Act 2001 (Cth) (Act) to dispose of the Assets and the Business (as those terms are defined in the Asset Sale Agreement which is annexure "MBJ-23" to the Affidavit of Martin Bruce Jones sworn 20 February 2025) to give effect to such deed of company arrangement."

SCHEDULE

Federal Court of Australia

No WAD 41 of 2025

District Registry: Western Australia

Division: Corporations

Second Plaintiff: Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara IP Pty Ltd (administrators appointed) ACN 605 704 096

Third Plaintiff: Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Terrace Gold Pty Ltd (administrators appointed) ACN 072 608 952

Form 59

Rule 29.02(1)

Federal Court of Australia

No of 2025

District Registry: Western Australia

Division: Corporations

IN THE MATTER OF NUHEARA LIMITED (ADMINISTRATORS APPOINTED)

ACN 125 167 133

Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara Limited (administrators appointed) ACN 125 167 133

Plaintiffs

Realtek Semiconductor Corporation

Defendant

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MBJ-50**" now produced and shown to Martin Bruce Jones at the time of swearing his affidavit on 11 March 2025.

Caleb Delaney

.....
CALEB ANDREW DELANEY
of 525 Collins Street Melbourne
being an Australian Legal Practitioner
within the meaning of the Legal Profession
Uniform Law (Victoria)


.....
Signature of deponent

Exhibit "MBJ-50"
being a copy of correspondence between the
solicitors for Realtek and Administrators
regarding the effect of the 442c Order

Our ref: DGS:DXB:118700
Contact: David Sanders
Direct Line: +61 8 6316 2200
Email: dsanders@bennettlaw.com.au
Contact: Dalitso Banda
Direct Line: +61 8 6316 2237
Email: dbanda@bennettlaw.com.au

6 March 2025

Mr Michael Barrett
Thomson Geer
Level 23, Rialto South Tower
525 Collins Street
MELBOURNE VIC 3000
By Email: mbarrett@tglaw.com.au

Dear Mr Barrett

WAD41/2025 | In the Matter of Nuheara Ltd

- 1 We refer to the orders made by the Honourable Justice O'Sullivan on 21 February 2025 (**Orders**) and the emails exchanged between our respective firms, concluding with the email from Mr. Eden Bird sent at 11:32 am (AWST) on 6 March 2025, which attached a minute proposing to amend order 1 of the Orders.
- 2 Realtek does not agree with the proposed orders for the reasons set out below.
- 3 Firstly, the proposed deletion of the specific proposed deed of company arrangement that was before the Court at the hearing on 21 February 2025 is unacceptable.
- 4 We note that the reference in order 1 of the Orders to Annexure AJF-3 is an error and was intended to be AJF-2, which is the relevant attachment with the Syndicate's proposed deed of company arrangement previously intended to be voted on at the meeting scheduled for 25 February 2025.
- 5 Secondly, the leave granted by the Court to the Administrators under the Orders to dispose of the Assets and the Business, which are subject to Realtek's security, for \$500,000, was:
 - 5.1 expressly based on the specific proposed deed of company arrangement contained in Annexure AJF-2;
 - 5.2 for the meeting to be held on 25 February 2025;
 - 5.3 in the context of the Court only being presented with the proposed deed of company arrangement from the Syndicate dated 17 February 2025.
- 6 Thirdly, the context in which the Orders were made has changed. Since Realtek submitted its own proposed deed of company arrangement on 24 February 2025:



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An incorporated legal practice
trading as Bennett.

- 6.1 the Administrators sought and were granted leave by the Court to adjourn the second meeting of the creditors to 17 March 2025, to enable the Administrators to opine on the Realtek proposal and report to the creditors;
- 6.2 the Administrators and Realtek have now agreed on:
- 6.2.1 the terms of the funding agreement (subject to one issue concerning clause 10). Realtek has already signed the funding agreement;
- 6.2.2 the terms of the Business Sale and Purchase Agreement (which values the assets approximately at \$2,591,036.03 plus the value of employee entitlements pursuant to clause 3.1 and 4);
- 6.3 Realtek has provided funding in the amount of \$501,528.80 for trading and administration costs (legal and remuneration) for March 2025.
- 7 Fourthly, we understand the Syndicate foreshadowed a revised proposal for a deed of company arrangement on 27 February 2025. Despite this indication, we have not been provided with the revised proposal for Realtek to consider.
- 8 Fifthly, the leave granted by the Court pursuant to the Orders cannot be relied upon by the Administrators to dispose of the Assets and Business of the Company for any revised proposed deed of company arrangement by the Syndicate without Court approval under section 442C of the *Corporations Act 2001* (Cth), or Realtek's consent.
- 9 We are instructed to request the Administrators to confirm, by no later than 12 noon (AWST) on 7 March 2025:
- 9.1 whether they have in fact received a revised proposed deed of company arrangement from the Syndicate and, if so, to provide us with a copy of the same; and
- 9.2 further, whether they intend to apply for approval of the revised proposed deed of company arrangement from the Syndicate.
- 10 We also request that the Administrators undertake not to dispose of the Assets and the Business on terms other than as approved by the Court under the Orders by 12 noon (AWST) on 7 March 2025.
- 11 Provided the Administrators undertake not to dispose of the Assets and the Business on terms other than as approved by the Court under the Orders (i.e., pursuant to any revised or varied proposal from the Syndicate without Court approval), Realtek is prepared to agree to a variation of order 1 of the Orders as follows:
- "In the event a proposed deed of company arrangements, annexed as Annexure AJF-3-2 to the affidavit of Andrew James Filing sworn 20 February 2025, is accepted at the second meeting of creditors of Nuheara Limited (Administrators Appointed) (**Company**), to be held on ~~25 February 2025~~ no later than 17 March 2025, the Plaintiffs as administrators have leave pursuant to s 442C of the *Corporations Act 2001* (Cth) (Act) to dispose of the Assets and the Business (as those terms are defined in the Asset Sale Agreement which is annexure "MBJ-23" to the Affidavit of Martin Bruce Jones sworn 20 February 2025) to give effect to such deed of company arrangement."
- 12 Please let us know if these changes are acceptable to the Administrators.
- 13 Realtek reserves the right to make an application to prevent the disposal of the Assets and the Business on terms other than as approved by the Court under the Orders.

14 Realtek reserves the right to rely on this letter in relation to costs.

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Dalitso Banda
Principal

From: Bird, Eden
Sent: Friday, 7 March 2025 12:20 PM
To: Dalitso Banda; Andrew Filing
Cc: Jessica Chapman; David Sanders; Jenny Olsen; Barrett, Michael; Oliveri, Melissa; Roost, Hedley; Delaney, Caleb
Subject: RE: WAD 41/2025 - In the matter of Nuheara Ltd (118700) [TGLAW-Legal.FID4248799]
Attachments: Letter to Bennett 07.03.2025.pdf; Syndicate DOCA Proposal 06.03.2025.pdf

Dear Dalitso,

Our response is attached.

Kind regards,
Eden

Eden Bird | Special Counsel

Thomson Geer

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Level 23, Rialto South Tower, 525 Collins Street, Melbourne VIC 3000 Australia

ebird@tglaw.com.au | tglaw.com.au

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From: Dalitso Banda <DBanda@bennettlaw.com.au>
Sent: Thursday, 6 March 2025 11:52 PM
To: Andrew Filing <afiling@bennettlaw.com.au>; Barrett, Michael <mbarrett@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>
Cc: Jessica Chapman <jchapman@bennettlaw.com.au>; David Sanders <dsanders@bennettlaw.com.au>; Jenny Olsen <jolsen@bennettlaw.com.au>
Subject: RE: WAD 41/2025 - In the matter of Nuheara Ltd (118700)

Eden and Michael

To clarify and for the avoidance of any doubt, the proposal in paragraph 11 of our letter today is not intended to be an acceptance by Realtek as to the adequacy of the Syndicate's proposed DOCA and is without prejudice to any right of appeal and/or right to make an application with respect to the Syndicate's proposed DOCA.

The proposed changes to the orders are intended to clarify and not change the substance of what was intended by the orders as made by the Court on 21 February 2025.

Kind regards,

Bennett
LITIGATION AND COMMERCIAL LAW



Dalitso Banda

Principal

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D [+61 8 6316 2237](tel:+61863162237)

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----- Original message -----

From: Andrew Filing <afiling@bennettlaw.com.au>

Date: 6/3/25 6:25 pm (GMT+08:00)

To: "Barrett, Michael" <mbarrett@tglaw.com.au>, "Bird, Eden" <ebird@tglaw.com.au>, moliveri@tglaw.com.au, hroost@tglaw.com.au

Cc: Dalitso Banda <DBanda@bennettlaw.com.au>, Jessica Chapman <jchapman@bennettlaw.com.au>, David Sanders <dsanders@bennettlaw.com.au>, Jenny Olsen <jolsen@bennettlaw.com.au>

Subject: WAD 41/2025 - In the matter of Nuheara Ltd (118700)

Dear Colleagues

Please see *attached* correspondence of today's date for your attention.

Yours sincerely

Bennett
LITIGATION AND COMMERCIAL LAW

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Solicitor

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Our ref MB:5801891
Your ref DGS:DXB:118700

7 March 2025

Mr Dalitso Banda
Partner
Bennett

Dear Mr Banda

In the matter of Nuheara Limited (Administrators Appointed) and others – Federal Court of Australia proceeding WAD41/2025

We refer to your letter of 6 March 2025 received by email at 9:26pm AEDT and subsequently clarified in an email received at 11:52pm AEDT. Defined terms in this letter have the meanings given in the various affidavits of Mr Jones in the proceedings brought by the Administrators in the Federal Court of Australia.

Neither we nor the Administrators, understand the basis for Realtek's position set out in your letter, and the Administrators do not agree with it.

The terms of the orders sought by the Administrators in their application under s 442C of the Act, were directed to effecting the Asset Sale Agreement (which had been signed prior to the date of hearing) negotiated with the Shareholder Syndicate and the associated DOCA which was yet to be drafted. This was in the context of your client choosing not to submit a proposal for its own DOCA, notwithstanding multiple discussions with the Administrators.

The Asset Sale Agreement, which as you know is conditional upon entry into a DOCA, was exhibited to the materials filed by the Administrators in support of their application. The Asset Sale Agreement has not been modified since its signing on 20 February 2025 and based on the revised Syndicate DOCA Proposal dated 6 September 2025, which we discuss below, we do not consider that there is any need for any modification to it.

The form of the draft orders submitted to the Court by the Administrators, both prior to the hearing and then following the hearing on 21 February 2025, did not need to, and did not refer to any DOCA proposal, because the proposal is not an instrument which would have been given effect to by the orders.

We do not know why his Honour made the orders by reference to the then current 17 February 2025 Syndicate Proposal. We do not understand that it was intended that this should preclude a further revision to the Syndicate Proposal, because at the time of the hearing there was no reason to believe that this would occur.

Similarly, there was no reason to believe that the Meeting would not proceed on 25 February 2025. As we have said before, the only reason that did not occur was because of the submission of the Realtek DOCA Proposal on 24 February 2025 i.e. the day before the Meeting was to be held.

Importantly, despite foreshadowing that you intended to address the Court on Realtek's own bid for the Assets, you did not do so on 21 February 2025. Had this been before the Court, it might have been apparent that there was a prospect that the time for reconvening the Meeting would need to be extended.

Subsequently, Bennett Lawyers attended the hearing on 27 February 2025, at which the time for reconvening the Meeting was extended to 17 March 2025. His Honour indicated that Bennett had a right to appear but no appearance was entered. Instead, Bennett Lawyers remained silent while the prospect of a revised Syndicate Proposal was raised, and did not make any submission that any such proposal could not be effectuated, for the reasons you now put, namely that paragraph 1 of the order of 21 February 2025 would not apply to the transactions contemplated by that proposal.

The Administrators have been entirely open in their communications with the lawyers for both Realtek and the Syndicate as to the various DOCA Proposals that they have put to the Administrators.

We received only late yesterday from the lawyers for the Syndicate a revised DOCA Proposal. We enclose the letter from Cowell Clarke dated 6 March 2025. We note that paragraphs 13.1 and 13.2 of that letter, being the paragraphs which pertain to the disposal of the Assets and Business and the payment in respect of same, are relevantly identical to the corresponding paragraphs of the 17 February 2025 Syndicate Proposal which was before the Court on 21 February 2025.

We cannot see any reason, and you have identified none, that the orders made on that date would not have been made had the current Syndicate Proposal been before the Court.

The position now taken by your client is also inconsistent with your client's insistence that its right to appeal the order of the Court of 21 February 2025 should be preserved, as per paragraph 10 of the revised Realtek Proposal dated 28 February 2025. If the order of 21 February 2025 is to be read in the manner which you now say it should, there was clearly no need, as at 28 February 2025, to preserve the right of appeal as of course the meeting did not proceed on 25 February 2025.

In the above context, the late raising of this issue and the refusal to consent to the orders that we circulated yesterday appear to be an opportunistic tactical manoeuvre, should the creditors resolve that the NUH Entities should enter into a DOCA based on the Syndicate Proposal, to frustrate its implementation. It is also consistent with the decision of your client not to submit its own DOCA Proposal until the evening before the scheduled meeting of creditors and the significant disruption, time and cost that this has caused.

It is not in the interests of creditors for the Administrators to be distracted by this issue on the day that they are completing their further supplementary report, nor is it appropriate that administration funds be used to seek orders which should be made by consent.

Accordingly, as we advised yesterday, unless Realtek consents to the orders in the form that we circulated yesterday by **12noon AWST today**, the Administrators will apply for those orders to be made at the hearing next Wednesday, 12 March 2025 and will seek their costs of doing so. To this end, an amended Interlocutory Process will be filed this afternoon unless your consent is received prior.

To respond to your specific questions at paragraph 9 of your letter:

- (1) As to 9.1, yes, and that proposal is attached; and
- (2) We do not understand this question. If the question is intended to be whether the Administrators intend to seek leave pursuant to section 442C of the Act to effectuate the transactions contemplated by the revised Syndicate Proposal, the answer is set out above.

As to the opposition to a further or amended section 442C order which is foreshadowed at paragraph 12 of your letter, we invite you to identify the basis for such opposition, including with reference to any authorities which you say are applicable.

One other matter, the suggestion that because Realtek has chosen to lodge a DOCA proposal under which it acquires the Assets for no cash consideration, but instead chooses to effectively write off its debt of approximately \$2.5m is, that the Assets are now worth that amount, is with respect, risible.

Otherwise we do not need to comment on the balance of your letter but in saying that, you should not assume that its contents are agreed.

If you wish to discuss the matter, please do not hesitate to contact us.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Barrett', with a stylized flourish at the end.

Michael Barrett

Partner

T +61 3 8080 3772 / +61 8 8236 1130

M 0412 807 861

E mbarrett@tglaw.com.au

Our Ref: 243627_3464-8970-0151_4

6 March 2025

Mr Martin Jones, Joint and Several Administrator
NuHeara Limited (Administrators Appointed) KPMG
Level 8, 235 St Georges Terrace
PERTH WA 6000

By email: martinjones@kpmg.com.au

Dear Sir/Madam

NuHeara Limited (Administrators Appointed)

We are instructed on behalf of Orecchio Pty Ltd ("**Proponent**") to submit a variation to the proposed Deed of Company Arrangement ("**DOCA**") for NuHeara Limited (Administrators Appointed) ("**NUH**"), NuHeara IP Pty Ltd (Administrators Appointed) ("**NuHeara IP**") and Terrace Gold Pty Ltd (Administrators Appointed) ("**Terrace**") (taken together, the "**Group**").

DOCA in respect of NUH

The elements of the proposed DOCA for NUH are as follows:

1. The joint and several deed administrators would be Martin Jones, Matthew Woods and Clint Joseph.
2. The parties to the DOCA will be the Group, the deed administrators and the Proponent.
3. The deed administrators will have all of the powers set out in Schedule 8A of the Corporations Regulations.
4. Subject to fulfilment of each of the matters referred to in paragraphs 6, 7, 11 and 13, the deed administrators will seek to procure the liquidation of NUH on or before 30 June 2025.
5. The establishment of a creditors' trust in accordance with the provisions of paragraph 36 below.
6. The Proponent will as a condition of the Asset Sale Agreement referred to in paragraph 13 below, offer employment to all current employees of NUH, consistent with their present employment terms and conditions and will assume the liability of NUH for all unpaid or accrued employee entitlements. The deed administrators will terminate the employment of all employees who accept such offers of employment.
7. The deed fund will be distributed as follows:

- 7.1 Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 7.2 Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 7.3 Thirdly, in the case of employees who are not employed by the Proponent in accordance with paragraph 6, payment of entitlements that would, in a liquidation, be accorded a priority under section 556(1), 560 and 561 of the Corporations Act, including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
 - 7.4 Fourthly, in payment of a dividend to arm's length non-priority unsecured creditors.
8. The deed fund will be made up of:
- 8.1 The net funds received and receivable by the administrators during the administration period ("**Administration Balance**");
 - 8.2 A payment made by the Proponent as payment for the assets and undertakings of NUH pursuant to the ASA as defined in paragraph 13 below ("**Deed Contribution**"); and
 - 8.3 A further amount to become payable into the creditors' trust if:
 - 8.3.1 the Proponent effects a sale of the business by 30 June 2026; **or**
 - 8.3.2 the Proponent earns a net profit after tax for the financial year ending 30 June 2026 to allow it to make such payment; and

in both cases, from its profits after deducting its debts (whether or not due and payable) and the paid up capital of the Proponent, up to a further 30c/\$ (in each case the "**Uplift Amount**").
9. The Deed Contribution will be such amount as is required further and in addition to the Administration Balance so as to effect:
- 9.1 Payment in full of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 9.2 Payment in full of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 9.3 To the extent there are such claims, payment in full of all entitlements that would, in a liquidation, be accorded a priority under sections 556(1), 560 and 561 of the Corporations Act including in respect of employees plus unpaid superannuation contributions and annual leave entitlements;
 - 9.4 Payment of a dividend to arm's-length non-priority unsecured creditors which will be paid from the Deed Contribution and which based upon existing claims in the Administration is presently estimated to result in a dividend of approximately 20c/\$ to such creditors on a *pari-passu* basis; and
 - 9.5 If an Uplift Amount becomes payable, a further dividend payable to arm's-length non-priority unsecured creditors from the creditors' trust being their share on a *pari-passu* basis of the Uplift Amount, after deduction of the trustees' reasonable remuneration, costs and expenses.

10. For the purpose of the DOCA the obligations of the Group and the administrators to make payment under the Funding Term Sheet dated 18 November 2024 will be administrators' liabilities for the purpose of clauses 7.1 and 9.1 herein ("**First Funding Agreement**").
11. For the purpose of the DOCA further payment of \$570,000 foreshadowed in the earlier DOCA proposal will also be administrators' liabilities under s443A of the Act for the purpose of clauses 7.1 and 9.1 herein.
12. The deed administrators will not cause any of the Group to make claims or prove for or receive distributions based on an inter-group loan account balances.
13. The Proponent will enter into an asset sale agreement ("**ASA**") within 7 days from the date of this letter pursuant to which NUH will sell to the Proponent the following assets and undertakings:
 - 13.1 The property of NUH which is the subject of a registered security agreement bearing no 202403150083941 in the Register established under the *Personal Property Securities Act 2009* (Cth) ("**Property**") in favour of Realtek Semiconductor Corporation ("**Realtek**"). The consideration for the purchase of the Property is \$500,000 which will be payable to Realtek on completion of the ASA and such consideration shall in no circumstances be available to the creditors of NUH other than Realtek or for the purpose of meeting any of the liabilities referred to in paragraph 9 of this letter. The order to be sought pursuant to s442C of the Act will also seek to discharge the security referred to in this paragraph 12 held by Realtek over the Property.
 - 13.2 All other property, assets and undertakings of NUH and the Subsidiaries required for the conduct of the Nuheara business (including, without limitation, all registered intellectual property and the "Nuheara" business name), which may include the shares in NuHeara IP (at the election of the Proponent) and the transfer of employees to the extent that the employees consent to the same.
14. The DOCA will take effect (the "**commencement date**") upon each of the following being satisfied:
 - 14.1 The execution of the DOCA by the parties to it.
 - 14.2 Execution of the subsidiary DOCAs referred to below.
15. The Deed Contribution will be payable upon the later of:
 - 15.1 The commencement date; and
 - 15.2 Fourteen days from the deed administrators informing the Proponent of their reasonable estimate of the net amount required to satisfy the obligations set out in paragraph 9 herein.
16. If there are any funds remaining after payment of the amounts provided for by clause 9, such funds will be returned to the Proponent.
17. From the commencement date there will be a moratorium in place against any enforcement of unsecured creditors' claims. Creditors entitled to prove must accept their entitlements under the DOCA in satisfaction of all claims they had when the administration began.
18. The property available for distribution to participating creditors will be limited to the amounts in the deed fund.
19. The DOCA will be fully effectuated upon payment of a dividend comprising the amounts referred to in paragraphs 9.3 and 9.4.

20. The DOCA will include standard terms providing for termination of the DOCA as determined to be appropriate by the administrators. The DOCA may also be terminated on grounds as provided for in the Corporations Act.

DOCAs for NuHeara IP Pty Ltd (Administrators Appointed) and Terrace Gold Pty Ltd (Administrators Appointed) (collectively "the Subsidiaries").

21. The Proponent also proposes a DOCA for the Subsidiaries which are also in administration. There could be one or two separate DOCAs.
22. The joint and several deed administrators would be Martin Jones, Matthew Woods and Clint Joseph.
23. The parties to the DOCA will be the relevant companies, the deed administrators and the Proponent .
24. The deed administrators will have all of the powers set out in Schedule 8A of the Corporations Regulations.
25. The deed fund in respect of the Subsidiaries (which for the avoidance of doubt is a separate fund to that referred to in paragraph 7 above) will be distributed as follows:
- 25.1 Firstly, in payment of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 25.2 Secondly, in payment of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 25.3 Thirdly, to the extent there are such claims, in payment of entitlements that would, in a liquidation, be accorded a priority under section 556(1), 560 and 561 of the Corporations Act, including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
 - 25.4 Fourthly, in payment of a dividend to arm's length non-priority unsecured creditors.
26. The deed fund in respect of the subsidiaries will be made up of:
- 26.1 The relevant Administration Balances in respect of the Subsidiaries (if any); and
 - 26.2 A payment made by the Proponent ("**Subsidiary Deed Contribution**").
27. The Subsidiary Deed Contribution will be such amount as is required further and in addition to the Administration Balance so as to effect:
- 27.1 Payment in full of the administrators' liabilities, administrators' disbursements and administrators' remuneration;
 - 27.2 Payment in full of the deed administrators' liabilities, deed administrators' disbursements and deed administrators' remuneration;
 - 27.3 Payment in full of all entitlements that would, in a liquidation, be accorded a priority under sections 556(1), 560 and 561 of the Corporations Act including in respect of employees plus unpaid superannuation contributions and annual leave entitlements; and
 - 27.4 Payment of such dividend to arm's-length non-priority unsecured creditors (if any) on the same terms specified in paragraph 9.4 above.

28. The establishment of a creditors trust in accordance with paragraph 36 below.
29. The subsidiary DOCAs will take effect upon each of the following being satisfied:
 - 29.1 Execution of the subsidiary DOCAs; and
 - 29.2 The commencement of the NUH DOCA.
30. The Deed Contribution will be payable upon the later of:
 - 30.1 The commencement date; and
 - 30.2 Fourteen days from the deed administrators informing the Proponent of their reasonable estimate of the net amount required to satisfy the obligations set out in paragraph 26 above.
31. If there are any funds remaining after payment of the amounts provided for by paragraph 26, such funds will be returned to the Proponent.
32. From the commencement date there will be a moratorium in place against any enforcement of unsecured creditors' claims. Creditors entitled to prove must accept their entitlements under the DOCA in satisfaction of all claims they had when the administration began.
33. The property available for distribution to participating creditors will be limited to the amounts in the deed fund.
34. The DOCA will be fully effectuated upon payment of a dividend comprising the amounts referred to in paragraph 27.
35. The DOCA will include standard terms providing for termination of the DOCA as determined to be appropriate by the administrators. The DOCA may also be terminated on grounds as provided for in the Corporations Act.
36. Upon the payment of the Deed Contribution and Subsidiary Deed Contribution in respect of each of the DOCAs, the deed administrators will establish a creditors' trust to be known as the "Nuheara Group Creditors' Trust" ("**Trust**").
 - 36.1 The deed administrators will be the trustees of the Trust and will administer it;
 - 36.2 Upon execution of the trust deed for the Trust, all admissible creditor claims against NUH and the Subsidiaries being that of employees or participating unsecured creditors will be transferred to the Trust and become liabilities of the Trust with NUH and the Subsidiaries being released and discharged from the same;
 - 36.3 Upon the execution of the trust deed for the Trust, the amount held by the deed administrators by way of the Deed Fund will be paid to the trustees of the Trust to be administered and dealt with in accordance with the terms of the trust deed.
37. The Proponent will provide an undertaking on a basis reasonably acceptable to the administrators:
 - 37.1 to trade the business utilising the assets purchased pursuant to the ASA, and employing the staff to whom it makes offers of employment which are accepted for a period of at least 6 months from the commencement date unless earlier sold; and
 - 37.2 to utilise the goods and services of supplier non-priority unsecured creditors wherever practicable in the course of such trading.

If you would like to discuss any aspect of the above proposal, please do not hesitate to get in touch.

Yours faithfully
Cowell Clarke

Per:



Richard Beissel
Director
RBeissel@cowellclarke.com.au

Copy to: Kieran Chu, KPMG
By email: kchu2@kpmg.com.au

Our ref: AJF:DXB:118700
Your ref: MB:5801891

Contact: Andrew Filing
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7 March 2025

Mr Michael Barrett
Thomson Geer
Level 23, Rialto South Tower
525 Collins Street
MELBOURNE VIC 3000
By Email: mbarrett@tglaw.com.au

Dear Mr Barrett

**WAD 41 of 2025 | In the matter of Nuheara Limited (Administrators Appointed) & Ors
Federal Court of Australia | WAD 41 of 2025**

I refer to your letter dated 7 March 2025 and my discussion with Mr. Bird this afternoon.

The amendments proposed by the Administrators, whether intended or not, have the effect of changing the substance of order 1 of the orders made by the Honourable Justice O'Sullivan on 21 February 2025 (**Orders**). Realtek is not prepared to consent to orders that change the substance of the Orders.

With respect, it is irrelevant that the orders sought by the Administrators prior to the hearing and submitted following the hearing, did not specifically refer to the Syndicate's proposed deed of company arrangement dated 17 February 2025. The Orders did not provide the Administrators with a general authority to dispose of the Property of Nuheara Limited (**Nuheara**), the subject of Realtek's security, but referred specifically to what was proposed by the Syndicate on 17 February 2025, for the purposes of the meeting scheduled to occur on 25 February 2025.

Now that the Syndicate has proposed a revised deed of company arrangement dated 6 March 2025, the Administrators must seek leave under section 442C of the Corporations Act in the present context, where Realtek has a competing deed of company arrangement.

Any attempt to amend the Orders (other than for typographical errors) which would result in a change to the substance of what was intended to be ordered, should not be done without a proper application under section 442C of the Corporations Act in the present context. We expect that any application to vary the substance of the Orders will be supported by an affidavit providing a justification for the proposed variation.

As discussed with Mr. Bird this afternoon, Realtek is concerned that the Administrators intend to dispose of the Property of Nuheara on terms other than those previously ordered by the Court. Realtek intends to review the supplementary report to creditors expected to be circulated by the Administrators later today before finalising its position.

Subject to the contents of the supplementary report, if the Administrators intend to dispose of the Property of Nuheara based on the Syndicate's revised proposal, Realtek considers that such a course of action will be a

B

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breach of the Orders and section 442C of the Corporations Act. If those circumstances arise, Realtek intends to make an urgent application on Monday to prevent the Administrators from breaching the Orders and the Corporations Act.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Dalitso Banda', with a horizontal line through the middle of the letters.

Dalitso Banda
Principal

From: Dalitso Banda <DBanda@bennettlaw.com.au>
Sent: Monday, 10 March 2025 1:36 PM
To: Barrett, Michael
Cc: David Sanders; Jessica Chapman; Andrew Filing; Jenny Olsen; Oliveri, Melissa; Roost, Hedley; Delaney, Caleb; Bird, Eden; Annalise Pure
Subject: RE: WAD 41 of 2025 | In the matter of Nuheara Limited (Administrators Appointed) & Ors | Federal Court of Australia | WAD 41 of 2025 {118700} [TGLAW-Legal.FID4248799]

Michael,

The issue is that the Administrators have put a proposal from the syndicate to the creditors for the meeting on 17 March 2025 based on the terms set out in the syndicate's revised proposal dated 6 March 2025, rather than the proposal dated 17 February 2025. The Court orders made on 17 February 2025 were in respect of the syndicate's proposal dated 17 February 2025.

While a proposal is obviously not a binding agreement, there is no reason (in principle or logic) why a Court cannot make an order by reference to terms under a proposal it has considered and approved to be put to the creditors for a specific meeting. Your assertion that the reference to the proposal dated 17 February 2025 should be removed based on "appropriateness" does not engage with why it was wrong for the Court to formulate orders in the manner it did and further answer the question of whether leave is required for the syndicate's revised proposal dated 6 March 2025. I also note that you did not raise any issue with the form of the order made on 21 February 2025 after his Honour made it. You first proposed the amendment on 6 March 2025.

As we have repeatedly stated, the terms of the Court order made on 21 February 2025 only granted leave to the Administrators based on a proposal that has now been superseded by a new one. Furthermore, Realtek has its own proposal. I explained this to Eden on Friday. He said he understood our position but he did not necessarily agree with us.

Furthermore, your email ignores the proposal we made on 6 March 2025, which you rejected on 7 March, to amend the orders made on 21 February 2025. Our proposed amendment would not have changed the substance of what was ordered by the Court. Our concern is that your proposed amendments (whether intended or not) have the effect of conferring on the Administrators a general authority to dispose of Nuheara's property, rather than by reference to specific terms of a proposed deed of company arrangement. This is a fundamental departure from the intent of the orders made on 21 February 2025.

Kind regards,

Bennett
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From: Barrett, Michael <mbarrett@tglaw.com.au>
Sent: Monday, 10 March 2025 5:43 AM
To: Dalitso Banda <DBanda@bennettlaw.com.au>
Cc: David Sanders <dsanders@bennettlaw.com.au>; Jessica Chapman <jchapman@bennettlaw.com.au>; Andrew Filing <afiling@bennettlaw.com.au>; Jenny Olsen <jolsen@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Delaney, Caleb <cdelaney@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>; Annaleise Pure <apure@bennettlaw.com.au>
Subject: RE: WAD 41 of 2025 | In the matter of Nuheara Limited (Administrators Appointed) & Ors | Federal Court of Australia | WAD 41 of 2025 {118700} [TGLAW-Legal.FID4248799]

[Confidential]

Dalitso,

Last Thursday, 6 March 2025, we sent you an email enclosing consent orders in response to you first raising the point that you make below regarding the terms of the orders of 21 February 2025. We sought Realtek's consent, and noted that if Realtek did not consent to the variation, we would be asking the Court to make the order at the hearing on Wednesday next and in doing so will be seeking costs against Realtek.

On Friday, 7 March 2025, we then sent you a letter which stated in part:

"...as we advised yesterday, unless Realtek consents to the orders in the form that we circulated yesterday by 12noon AWST today, the Administrators will apply for those orders to be made at the hearing next Wednesday, 12 March 2025 and will seek their costs of doing so. To this end, an amended Interlocutory Process will be filed this afternoon unless your consent is received prior."

Later that day, Mr Bird of my office took a phone call from Ms Chapman and you. Mr Bird informs me that he stated on at least three occasions during that call that it was the Administrators' intention, as we had already stated twice in writing, to seek a further or amended order of the Court to permit the disposal of the Assets and Business if the creditors of NUH voted in favour of a deed of company arrangement based on the Syndicate Proposal. Mr Bird made clear that it follows necessarily from the Administrators' stated intention to seek a further or amended order that they had no intention to act absent such an order, in circumstances where the application would be heard well before the resumed creditors' meeting.

In addition to the matters raised in my email of yesterday evening, there is no possible basis on which firstly your client could hold the "concern" which you say it does and secondly, nor for your client to seek the threatened injunction where the Administrators have made clear, and continue to do so, that they intend to dispose of the Assets and Business if and when a further or amended Court order permits them to do so, and if and when a deed of company arrangement is entered into with the Syndicate's SPV Orrechio Pty Ltd which satisfies the condition precedent for the Business Sale and Purchase Agreement with Orrechio Pty Ltd and thus requires the disposal. It is the Administrators' position that nothing in any of our prior correspondence can be read as suggesting the contrary. Hence, the premise of your correspondence and the demands made, was, at best, misconceived.

Finally, and for avoidance of doubt, as Mr Bird indicated during the call, it is the Administrators' position that it is not appropriate that the further or amended order of the Court refers to any DOCA proposal. A proposal is not a contractual document, and creates no obligations to dispose of property. Rather, the operative document is the Business Sale and Purchase Agreement (the terms of which you have seen as it was exhibited to the second Jones affidavit sworn before the hearing on 21 February 2025) and the DOCA which should be referred to in the orders (as per our drafts sent to the Court before and after the 21 February 2025 hearing). And as for the "urgency" of the matter, as I noted in our email of yesterday evening there can be no sale to the Syndicate, unless and until there is a resolution by creditors at the meetings to be held on 17 March 2025, and an effectuation of that DOCA.

Having received no consent to the proposed orders circulated last Thursday, 6 March 2025, we will proceed to file an Amended Interlocutory Process this morning.

We resile from nothing said in our email of yesterday evening.

regards

Michael Barrett | Partner
Thomson Geer

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From: Dalitso Banda <DBanda@bennettlaw.com.au>
Sent: Sunday, 9 March 2025 9:03 PM
To: Barrett, Michael <mbarrett@tglaw.com.au>
Cc: David Sanders <dsanders@bennettlaw.com.au>; Jessica Chapman <jchapman@bennettlaw.com.au>; Andrew Filing <afiling@bennettlaw.com.au>; Jenny Olsen <jolsen@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Delaney, Caleb <cdelaney@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>; Annalise Pure <apure@bennettlaw.com.au>
Subject: RE: WAD 41 of 2025 | In the matter of Nuheara Limited (Administrators Appointed) & Ors | Federal Court of Australia | WAD 41 of 2025 {118700} [TGLAW-Legal.FID4248799]

Michael

Your email does not engage the point we have put to you and which I explained to Eden on Friday. The terms of the order made by the Court on 21 February 2025 expressly referred to the syndicate proposal of 17 February 2025. The landscape has changed since then.

Could you identify the Court order which permits the sale of the property of Nuheara pursuant to the terms proposed by the syndicate on 6 March?

It is frankly inappropriate to threaten indemnity costs orders against my client to dissuade it from making an application to protect its interests.

Kind regards,

Bennett
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From: Barrett, Michael <mbarrett@tglaw.com.au>
Sent: Sunday, 9 March 2025 5:43 PM
To: Dalitso Banda <DBanda@bennettlaw.com.au>
Cc: David Sanders <dsanders@bennettlaw.com.au>; Jessica Chapman <jchapman@bennettlaw.com.au>; Andrew Filing <afiling@bennettlaw.com.au>; Jenny Olsen <jolsen@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Delaney, Caleb <cdelaney@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>; Annalise Pure <apure@bennettlaw.com.au>

Subject: RE: WAD 41 of 2025 | In the matter of Nuheara Limited (Administrators Appointed) & Ors | Federal Court of Australia | WAD 41 of 2025 {118700} [TGLAW-Legal.FID4248799]

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Dalitso

Respectfully, the premise on which your letter is written is baseless.

The statement in your letter that "Realtek is concerned that the Administrators intend to dispose of the Property of Nuheara on terms other than those previously ordered by the Court" are without foundation. Even a cursory review of the Asset Sale Agreement which you have had since before the hearing on 21 February 2025, shows that it is clearly conditional upon the syndicate DOCA taking effect. Simply put if the Syndicate DOCA is not approved by creditors, there is no sale to the Syndicate. And of course there will be no such approval, if at all, until the meetings of creditors on 17 March 2025.

Further you have been advised that the Administrators intend to seek further directions from the Court concerning their power to deal with the assets secured in favour of Realtek and for that purpose to seek an amendment to the orders of the Court dated 21 February 2025. You were told that in our letter sent on the morning of Friday 7 March and again during your discussions with my office. And again, as you have been advised and well know, you will be served with the relevant materials once they are finalised. We intend to have that issue before the Court on Wednesday when other matters concerning the Administration and in particular funding issues will be dealt with.

It is both remarkable and regrettable that you chose not to refer to these matters in your letter nor your email of today.

Let us be clear:

1. under no circumstances could you have properly asserted that the Administrator would breach an Order of the Court in relation to the disposal of the assets the subject of the order made on 21 February 2025, permitting him (on terms) to do so;
2. the Administrator will fully comply with any orders of the Court in this or any other respect;
3. there is no possible basis, on which your client could seek an injunction, or genuinely, hold any such concerns – if indeed it does;
4. if notwithstanding the above, your client does commence proceedings, we will refer to this communication and also the discussions you had with my colleague Eden Bird on Friday on this matter when seeking the dismissal of the application and orders for indemnity costs. The material we will file will depose to your conversations with Mr Bird.

regards

Michael Barrett | Partner
Thomson Geer

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From: Dalitso Banda <DBanda@bennettlaw.com.au>

Sent: Sunday, 9 March 2025 5:09 PM

To: Annalise Pure <apure@bennettlaw.com.au>; Barrett, Michael <mbarrett@tglaw.com.au>

Cc: David Sanders <dsanders@bennettlaw.com.au>; Jessica Chapman <jchapman@bennettlaw.com.au>; Andrew Filing <afiling@bennettlaw.com.au>; Jenny Olsen <jolsen@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Delaney, Caleb <cdelaney@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>

Subject: RE: WAD 41 of 2025 | In the matter of Nuheara Limited (Administrators Appointed) & Ors | Federal Court of Australia | WAD 41 of 2025 {118700}

Michael

You have not responded to the attached letter sent on Friday. I note you have sent us other emails to us today, but you have not addressed this letter.

Could you please respond to the attached letter as a matter of urgency. As foreshadowed, Realtek intends to make an urgent application to prevent the Administrator from breaching the orders made on 21 February 2025 and section 442C(1) of the Corporations Act tomorrow.

Kind regards,

Bennett
LITIGATION AND COMMERCIAL LAW



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From: Annaleise Pure <apure@bennettlaw.com.au>

Sent: Friday, 7 March 2025 4:24 PM

To: Barrett, Michael <mbarrett@tglaw.com.au>

Cc: Dalitso Banda <DBanda@bennettlaw.com.au>; David Sanders <dsanders@bennettlaw.com.au>; Jessica Chapman <jchapman@bennettlaw.com.au>; Andrew Filing <afiling@bennettlaw.com.au>; Jenny Olsen <jolsen@bennettlaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Delaney, Caleb <cdelaney@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>

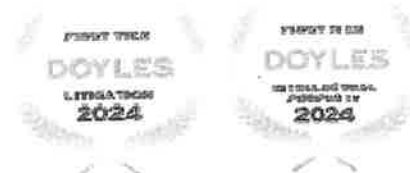
Subject: WAD 41 of 2025 | In the matter of Nuheara Limited (Administrators Appointed) & Ors | Federal Court of Australia | WAD 41 of 2025 {118700}

Dear Mr Barrett

Please find *attached* correspondence from Dalitso Banda for your consideration.

Yours sincerely,

Bennett
LITIGATION AND COMMERCIAL LAW



Annaleise Pure
Legal Secretary

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D +61 8 6316 2263
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Form 59

Rule 29.02(1)

Federal Court of Australia

No of 2025

District Registry: Western Australia

Division: Corporations

IN THE MATTER OF NUHEARA LIMITED (ADMINISTRATORS APPOINTED)

ACN 125 167 133

Martin Bruce Jones, Matthew David Woods and Clint Peter Joseph in their capacity as joint and several administrators of Nuheara Limited (administrators appointed) ACN 125 167 133

Plaintiffs

Realtek Semiconductor Corporation

Defendant

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MBJ-51**" now produced and shown to Martin Bruce Jones at the time of swearing his affidavit on 11 March 2025.

Caleb Delaney


.....
Signature of deponent

.....
CALEB ANDREW DELANEY
of 525 Collins Street Melbourne
being an Australian Legal Practitioner
within the meaning of the Legal Profession
Uniform Law (Victoria)

Exhibit "MBJ-51"
being a copy of Thomson Geer's emails to
Realtek and the Syndicate's solicitors calling
for final proposals

From: Barrett, Michael <mbarrett@tglaw.com.au>
Sent: Sunday, 9 March 2025 8:11 PM
To: David Sanders <dsanders@bennettlaw.com.au>
Cc: Chloe Placzek <cplaczek@bennettlaw.com.au>; Dalitso Banda <DBanda@bennettlaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

David

The below contained a typographical error. The words "to a conclusion" should have been added to the end of the first sentence.

regards

Michael Barrett | Partner

Thomson Geer

T +61 3 8080 3772 / +61 8 8236 1130 | M 0412 807 861

mbarrett@tglaw.com.au | tglaw.com.au

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From: Barrett, Michael
Sent: Sunday, 9 March 2025 8:08 PM
To: 'David Sanders' <dsanders@bennettlaw.com.au>
Cc: Chloe Placzek <cplaczek@bennettlaw.com.au>; Dalitso Banda <DBanda@bennettlaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

David

Thank you for your email.

DOCA Proposal

The Administrators while recognising that a proponent can amend their proposal for a DOCA, need to bring this process under which both proponents are participating in a process similar to an auction.

From the point of view of the Administrators:

1. The meetings of creditors will proceed on 17 March 2025 and will only be adjourned if the Court orders that;
2. If there are to be any further variations in your client's proposal – and I note that in response to my specific requests by email today for you to confirm that the latest offer by Realtek was the best and final one that you have chosen not to reply – that must be put to the Administrators by no later than 12noon Perth time on Tuesday 11 March 2025.

The syndicate has been advised this evening of the amended proposal from your Realtek and have also been told each of the matters referred to in paragraph 1 and 2.

Finally the Administrators are calculating the amount required to top up the \$5m which Realtek has agreed as a condition of its DOCA proposal to pay into your firm's trust account before the meetings on 17 March 2025.

Request to confer

I will pass this onto the Administrators. Tomorrow may not be possible for a range of reasons.

regards

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mbarrett@tglaw.com.au | tglaw.com.au

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From: David Sanders <dsanders@bennettlaw.com.au>

Sent: Sunday, 9 March 2025 7:30 PM

To: Barrett, Michael <mbarrett@tglaw.com.au>

Cc: Chloe Placzek <cplaczek@bennettlaw.com.au>; Dalitso Banda <DBanda@bennettlaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>

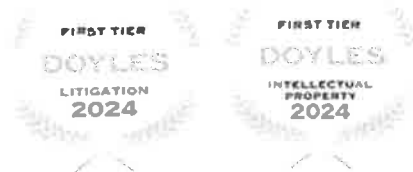
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

Dear Michael,

Realtek is not proposing any additional changes to its DOCA proposal at this time but I would welcome the opportunity to have a further discussion with you client together with representatives of your firm tomorrow to explore whether your client can suggest any further adjustments that would assist in ensuring that the DOCA can be implemented as quickly and efficiently as possible in the interests of all creditors, particularly in light of your client's decision not to allow Realtek to interview any employees who are interested in considering Realtek's offer until after the creditors meeting.

Kind regards

Bennett
LITIGATION AND COMMERCIAL LAW



David Sanders
Corporate Counsel

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From: Barrett, Michael <mbarrett@tglaw.com.au>

Sent: 09 March 2025 11:23

To: David Sanders <dsanders@bennettlaw.com.au>

Cc: Chloe Placzek <cplaczek@bennettlaw.com.au>; Dalitso Banda <DBanda@bennettlaw.com.au>; Roost, Hedley

<hroost@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>

Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

[Confidential]

David

I will, of course, advise you when I have instructions which I have already sought.

The DOCA will clearly require further amendment which we can only finalise once we have your response to what I put in paragraphs 1 and 2 of my earlier email to you today.

regards

Michael Barrett | Partner

Thomson Geer

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mbarrett@tglaw.com.au | tglaw.com.au

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From: David Sanders <dsanders@bennettlaw.com.au>

Sent: Sunday, 9 March 2025 2:08 PM

To: Barrett, Michael <mbarrett@tglaw.com.au>

Cc: Chloe Placzek <cplaczek@bennettlaw.com.au>; Dalitso Banda <DBanda@bennettlaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>

Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

Hi Michael,

I have passed your email on to Realtek for instructions and will let you know when I hear back.

In the meantime I look forward to receiving:

- 1 Confirmation as requested when you have had an opportunity to communicate my email from yesterday to your client.
- 2 Confirmation when you have received instructions from your client in relation to the draft DOCA sent to me by Eden on Friday afternoon.
- 3 Details of the revised calculation from your client regarding DOCA funding.

Kind regards

Bennett
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dsanders@bennettlaw.com.au

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From: Barrett, Michael <mbarrett@tglaw.com.au>
Sent: 09 March 2025 07:45
To: David Sanders <dsanders@bennettlaw.com.au>
Cc: Chloe Placzek <cplaczek@bennettlaw.com.au>; Dalitso Banda <DBanda@bennettlaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>; Bird, Eden <ebird@tglaw.com.au>
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

[Confidential]

Hi David

I refer to your below email in which I understand you to be saying that your client will increase the Deed Contribution by an amount sufficient to pay a dividend of 55c in the dollar to unsecured creditors.

Would you please confirm:

1. Whether our client will increase the amount to be paid to your trust account before the meeting from the amount of \$5m to an amount sufficient to reflect this increase. I don't know what the calculation is and will check with Martin on that; and
2. The increase in dividend and the commensurate increase in the amount payable to your trust account are the only changes to the DOCA proposal submitted by Realtek and on which the Administrators have just reported;
3. This indeed will be the Best and Final Offer that your client will submit for the purpose of creditors considering the Realtek DOCA Proposal?

I look forward to hearing from you as soon as possible on the above.

regards

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Thomson Geer

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mbarrett@tglaw.com.au | tglaw.com.au

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From: David Sanders <dsanders@bennettlaw.com.au>
Sent: Saturday, 8 March 2025 6:24 PM
To: Bird, Eden <ebird@tglaw.com.au>; Oliveri, Melissa <moliveri@tglaw.com.au>; Roost, Hedley <hroost@tglaw.com.au>
Cc: Barrett, Michael <mbarrett@tglaw.com.au>; Chloe Placzek <cplaczek@bennettlaw.com.au>; Dalitso Banda <DBanda@bennettlaw.com.au>
Subject: RE: (117912) Business Sale and Purchase Agreement [TGLAW-Legal.FID4248799]

Thanks Eden,

I confirm these amendments reflect our discussion.

Realtek has agreed to amend the DOCA to increase the payment to unsecured creditors to 55 cents in the dollar.

Realtek has no further comments pending you confirming your client's instructions in relation to this draft.

I note that you had hoped to get us drafts of the subsidiary DOCAs yesterday but given you have a public holiday on Monday I assume you may not be able to get these to us until Tuesday.

I would be grateful however if you or one of your Perth colleagues is able to confirm when you have had an opportunity to communicate this email to your client, or alternatively authorise me to send it directly to your client.

Kind regards

Bennett
LITIGATION AND COMMERCIAL LAW



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From: Barrett, Michael
Sent: Sunday, 9 March 2025 8:15 PM
To: Richard Beissel
Cc: Thomas Hill; Peter Leech; Bird, Eden; Roost, Hedley
Subject: NUH [TGLAW-Legal.FID4248799]

Hi Richard

I refer to my brief discussion with you earlier this afternoon in which I informed you that:

1. Realtek submitted a revised DOCA proposal last night;
2. At the time of me speaking to you, I had not received instructions from the Administrators and was not in a position to tell you what the proposal was;
3. However the increase in the dividend was material and in my view, we would be obliged to advise the Administrators to change their recommendation to creditors made in the report distributed on Friday night.

I have now received instructions from the Administrators.

We received an email last night – which I did not see until this morning – from the lawyers for Realtek indicating that their client now wished to revise their DOCA Proposal such that the dividend to be paid to unsecured creditors will increase to 55 cents in the dollar. We have sought further confirmation, which we have now received, that:

1. No further changes are proposed to the DOCA; and
2. In light of the increased dividend, the amount that will be paid to the trust account of Bennett will be increased so that the Administrators have certainty that if the Realtek DOCA Proposal is approved by the creditors, it will be implemented. The additional amount that needs to be paid to the Bennett trust account will be calculated shortly by the Administrators.

I do not have instructions but on the basis of this development, in my view the Administrators would be obliged to change the recommendation in the report that creditors should vote in favour of the Syndicate DOCA, and rather recommend that they vote in favour of the Realtek DOCA as amended.

As you would appreciate the Administrators are obliged to deal with whatever proposals might be submitted for a DOCA as and when they are received. It is regrettable – to say the least – that Realtek delayed in the provision of any proposal for a DOCA until after it lodges the s442C application. The Administrators are concerned to bring to an end what has in effect become a bidding process by the rival DOCA Proponents.

Accordingly, the Administrators consider:

1. The meetings to be held on 17 March 2025 will proceed unless they are to be adjourned by an order of the Court;
2. If there are to be any further variations to your client's proposal, then the best and final offer must be put by your client to the Administrators by no later than 12 noon Perth time on 11 March 2025.

We have put this position to Bennett. We have also asked them, today, whether the revised proposal received last night was in fact their best and final offer but they have chosen not to respond to that.

regards

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mbarrett@tqlaw.com.au | tqlaw.com.au

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