

7 August 2018

To Creditors

Dear Sir/Madam

York Civil Pty Ltd (Administrators Appointed) (the Company)
ACN 050 019 960

We were appointed Voluntary Administrators of the Company on 6 August 2018 pursuant to Section 436A of the Corporations Act 2001 (the Act).

The Voluntary Administrators now control the Company's operations and are assessing the Company's financial position.

The purpose of this letter is to provide you with information about the administration of the Company and your rights as a creditor, and contains the following sections.

- 1 First meeting of creditors
- 2 Declaration by the Voluntary Administrators
- 3 Trading
- 4 Legal proceedings
- 5 Employees
- 6 Report to creditors and second meeting of creditors
- 7 Creditor rights
- 8 Voluntary Administrators' remuneration
- 9 Electronic notification
- 10 Further information

Attachments to this letter are described in the table below:

Annexure	Document	Description
Refer to front pages	Formal proof of debt (Form 535)	– Refer to section 1 of this letter
	Appointment of proxy (Form 532)	– Refer to section 1 of this letter
A	Notice of first meeting of creditors (Form 529A)	– Refer to section 1 of this letter
B	Declaration of independence, relevant relationships and indemnities	– Refer to section 2 of this letter
C	Circular to Suppliers	– Refer to section 3 of this letter
D	Short guide to the Personal Property Securities Act	– Refer to section 3 of this letter
E	Information sheet - creditor rights in voluntary administration	– Refer to section 7 of this letter
F	Initial remuneration notice	– Refer to section 8 of this letter

1 First meeting of creditors

We are required to call a first meeting of creditors within eight business days of our appointment pursuant to Section 436E of the Act. The purpose of this meeting is to provide creditors with an opportunity to:

- Appoint a Committee of Inspection (**COI**); and
- Appoint an alternative Administrator, if they so desire.

The notice of meeting is attached as **Annexure A**. Details of the meeting are as follows:

Date: Thursday, 16 August 2018
Time: 2:00pm (ACST), please arrive for registration by 1:00pm (ACST)
Location: Hilton Adelaide
Victoria Room, Ground Floor
233 Victoria Square
ADELAIDE SA 5000

If you are unable to attend the meeting in Adelaide you may attend the meeting via webcast. Please contact Link Market Services Limited on 1300 420 208 to obtain the webcast URL and access details.

A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim 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 Company or any lien over goods in their possession which are the property of the Company.

All Formal Proof of Debt and Proxy forms are to be returned to:

Link Market Services Limited
PO Box 3184, Rhodes NSW 2138
Facsimile: +61 2 9287 0309
Client Code: YCPI
Email: yorkcivil@linkmarketservices.com.au
Creditor Queries: +61 1300 420 208

2 Declaration by Administrators

Pursuant to Sections 436DA(2) and (3) of the Act and the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**), we attach our 'Declaration of Independence, Relevant Relationships and Indemnities' (**DIRRI**) as **Annexure B**.

3 Trading

At this stage, the Voluntary Administrators intend to continue to trade the Company's business and we draw your attention to the attached Circular to Suppliers dated 6 August 2018 (**Annexure C**).

Please also see the short guide to the Personal Property Securities Act at **Annexure D** for your information.

4 Legal proceedings

The appointment of Voluntary Administrators stays a proceeding in a court against the Company. You cannot commence or continue a proceeding against the Company without our written consent or the leave of the Court.

5 Employees

We have written separately to employees regarding the appointment of the Voluntary Administrators.

6 Report to creditors and second meeting of creditors

The Voluntary Administrators will prepare a report to creditors under Section 438A of the Act and Insolvency Practice Rules (Corporations) 2016 (**IPR**) 75-225 which will include details on the Company's business, property, affairs and financial circumstances.

A second meeting of creditors will be held on or before Monday, 10 September 2018 unless an application is made to Court by the Voluntary Administrators to extend the convening period of the voluntary administration and the court duly makes an order regarding same. It is at the second meeting that creditors will consider the Voluntary Administrators' report and consider resolutions regarding the Company's future.

7 Creditor rights

Enclosed at **Annexure E** is an information sheet setting out your rights as a creditor in the administration of the Company, including:

- Making reasonable requests for a meeting or information
- Giving directions to the Administrators
- Appointing a reviewing Liquidator or replacing the Administrators

8 Voluntary Administrators' remuneration

For the purposes of the Company's administration, the Voluntary Administrators' remuneration will be fixed on the basis of time spent by the Voluntary Administrators and the Voluntary Administrators' staff of an appropriate level having regard to the nature and complexity of the work, and calculated by reference to hourly rates.

Enclosed at **Annexure F** for your information is the Voluntary Administrators' Initial Remuneration Notice which sets out the four basic methods of calculating remuneration together with an explanation as to why the time based (hourly rates) method is appropriate in this administration.

An information sheet concerning approval of remuneration in external administrations can be obtained from the ASIC at www.asic.gov.au.

We estimate fees for the voluntary administration of the Company's affairs to be at least \$400,000 plus applicable GST (on the basis there is no extension of the convening period).

It should be noted that if, during the course of the voluntary administration, any unanticipated issues arise, it may be necessary to revisit the fee estimate. In the event that we become aware that our costs will exceed this amount we will advise creditors accordingly.

9 Electronic notification

You may elect to receive future notices or other documents, including circulars and reports regarding the administration, via email. Should you wish to do so, please indicate this position on the Form 535 – Proof of Debt as appropriate.

10 Further information

For further information concerning the Voluntary Administration process and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com. In addition, you can access general information about external administrations and insolvency from ARITA's website at www.arita.com.au.

Questions regarding the administration should be directed by telephone to 1300 420 208 or via email to yorkcivil@linkmarketservices.com.au.

Yours faithfully

York Civil Pty Ltd (Administrators Appointed)

Two handwritten signatures in blue ink. The first signature is 'MD Lewis' and the second is 'TD Mablesen'.

MD Lewis and TD Mablesen

Joint and Several Voluntary Administrators

Encl.

Annexure A

Form 529A

Notice of first meeting of creditors of company under administration

Insolvency Practice Rules (Corporations) 2016, Section 75-15


**York Civil Pty Ltd (Administrators Appointed) (the Company)
ACN 050 019 960**

1. Notice is given that on Monday, 6 August 2018, the Company, under Section 436A, appointed Martin David Lewis and Timothy David Mablesen of Ferrier Hodgson, Level 6, 81 Flinders Street, Adelaide SA 5000 as the Joint and Several Voluntary Administrators of the Company.
2. Notice also is given that a meeting of the creditors of the Company will be held at the Hilton Adelaide (Victoria Room, Ground Floor), 233 Victoria Square, Adelaide SA 5000, Thursday, 16 August 2018 at 2:00pm (ACST).
3. The purpose of the meeting is to determine:
 - 3.1 Whether to appoint a committee of inspection; and
 - 3.2 If so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - 4.1 Remove the Administrators from office; and
 - 4.2 Appoint someone else as Administrator of the Company.

All Formal Proof of Debt and Proxy forms are to be returned to:

Link Market Services Limited
PO Box 3184, Rhodes NSW 2138
Facsimile: +61 2 9287 0309
Client Code: YCPI
Email: yorkcivil@linkmarketservices.com.au
Creditor Queries: +61 1300 420 208

Dated this 7th day of August 2018


MD Lewis and TD Mablesen
Joint and Several Voluntary Administrators

Annexure B

*Corporations Act 2001
Sections 436DA, 449CA*

York Civil Pty Ltd (Administrators Appointed) (the Company)
ACN 050 019 960

Declaration of Independence, Relevant Relationships and Indemnities

This document requires the practitioner(s) appointed to an insolvent entity to make declarations as to:

- A. Their independence generally;
- B. Relationships, including
 - (i) The circumstances of the appointment;
 - (ii) Any relationships with the Company and others within the previous two years;
 - (iii) Any prior professional services for the Company within the previous two years;
 - (iv) That there are no other relationships to declare; and
- C. Any indemnities given or upfront payments made to the practitioner(s).

This declaration is made in respect of ourselves, our partners, and entities in connection with Ferrier Hodgson (including Azurium, DealDocs, Ferrier Hodgson Corporate Advisory, Ferrier Hodgson Forensics, Ferrier Hodgson Management Consulting, National Consulting Group, SecuriSearch and Shield Docs) (collectively **Ferrier Hodgson**).

A. Declaration of independence

We, Martin David Lewis and Timothy David Mableson, and Ferrier Hodgson, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint and Several Voluntary Administrators of the Company in accordance with the Corporations Act 2001 (Cth) (**the Act**), the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**) and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of relationships

- (i) Circumstances of appointment

This appointment was referred to us by Mansueto Legal on behalf of the Directors of the Company.

We believe that this relationship does not result in a conflict of interest or duty because referrals from solicitors, business advisors and accountants are commonplace and do not impact on our independence in carrying out our duties as Joint and Several Voluntary Administrators.

Prior to our appointment we had two meetings with the Company on 27 July 2018 and 5 August 2018, attended by the two Directors and Ray Mansueto of Mansueto Legal, for the purpose of explaining the various options available to the Company and the nature and consequences of an insolvency appointment.

We received no remuneration for our attendance at these meetings.

These meetings do not affect our independence for the following reasons:

- Ferrier Hodgson's input was limited to assessing the Company's financial position, the consequences of insolvency and restructuring options.
- Ferrier Hodgson's input was directed to the Company only. We did not advise the Directors personally or others.
- The Courts and the Code specifically recognise the need for practitioners to discuss the insolvency process and the options available and do not consider that such discussions result in a conflict or an impediment to accepting the appointment.
- The nature of the discussions is such that it would not be subject to review and challenge during the administration.
- The pre-appointment discussions will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner.

We have provided no other information or advice to the Company, its Directors and its advisors prior to our appointment beyond that outlined in this DIRRI.

(ii) Relevant relationships (excluding professional services to the Company)

We, or Ferrier Hodgson, have had **within** the preceding two years, a relationship with BankSA, a division of Westpac Banking Corporation (**Westpac**), who holds a security interest on the whole of or substantially the whole of the Company's property as follows:

Name	Nature of relationship	Reasons why we believe that this relationship is not an impediment or conflict of interest or duty
Westpac	From time to time, Ferrier Hodgson undertakes assignments for various financiers including Westpac.	<p>Ferrier Hodgson has undertaken work for Westpac in respect of the Company (see comments at (iii) below).</p> <p>The work that Ferrier Hodgson undertakes for Westpac, including the work below, will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the Company's administration in an objective and impartial manner.</p>

(iii) Prior professional services

We, or Ferrier Hodgson, have undertaken the following engagement prior to the acceptance of this appointment as follows:

Name	Nature of relationship	Reasons why we believe that this relationship is not an impediment or conflict of interest or duty
Westpac	Ferrier Hodgson prepared an Independent Business Review (the Review) for Westpac.	We believe that this relationship does not result in a conflict of interest or duty because:

Name	Nature of relationship	Reasons why we believe that this relationship is not an impediment or conflict of interest or duty
	<p>The purpose of the Review was to report to Westpac on various aspects of the Company as required by Westpac.</p> <p>The engagement lasted approximately 2 months and was completed on 6 June 2018. Ferrier Hodgson was paid \$60,000 (excluding GST) for the Review.</p>	<p>- The Review did not provide any advice to the Company.</p> <p>- The ARITA Code does not prohibit practitioners who have undertaken a review for a financier later accepting an appointment as voluntary administrators.</p> <p>- The Review does not influence our ability to comply with the statutory obligations associated with the voluntary administration of the Company in an orderly and impartial matter.</p>

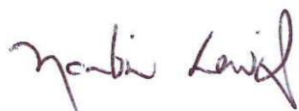
(iii) No other relevant relationships to disclose

Other than as detailed above, there are no other known relevant relationships, including personal, business and professional relationships, within the previous two years with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a security interest on the whole of or substantially the whole of the Company's property that should be disclosed.

C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any upfront payments in respect of our remuneration or disbursements.

Dated this 7th day of August 2018



MD Lewis
Joint and Several Voluntary Administrator



TD Mablesen
Joint and Several Voluntary Administrator

Note:

If circumstances change, or new information is identified, we are required under Subsection 436DA(5) and 449CA(5) of the Act and the Code to update this declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Company's creditors.

Any relationships, indemnities or up-front payments disclosed in the declaration must not be such that the practitioner is no longer independent. The purpose of components B and C of the declaration is to disclose relationships that, while they do not result in the practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the practitioner nevertheless remains independent.

Annexure C

6 August 2018

To Suppliers

Dear Sir/Madam

York Civil Pty Ltd (Administrators Appointed) (the Company)
ACN 050 019 960

We were appointed Voluntary Administrators of the Company on 6 August 2018 pursuant to Section 436A of the Corporations Act 2001 (the Act).

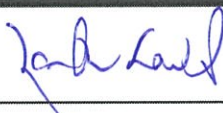
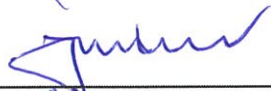

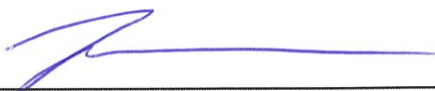
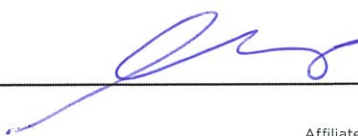
The Voluntary Administrators now control the Company's operations and are assessing the Company's financial position.

At this stage, the Voluntary Administrators intend to continue to trade the Company's business and we draw your attention to the following information.

1.1 Trading accounts

The Act provides that the Voluntary Administrators are personally liable for liabilities arising from services rendered, goods bought or property hired, leased, used or occupied during the administration.

- Please close your accounts with the Company in respect of goods supplied and / or services rendered up to 9:00am ACST on 6 August 2018.
- Please open a new account in the name of York Civil Pty Ltd with the suffix "(Administrators Appointed)" for the supply of authorised goods and services to the Voluntary Administrators.
- From 9:00am ACTS on 6 August 2018, liability will only be accepted by the Voluntary Administrators in respect of the purchase of goods or services authorised by the Voluntary Administrators or their representatives, whose specimen signatures are below. Accounts will be paid in accordance with your usual terms of credit.

Authorisor name	Authorisation limit	Signature
Martin Lewis	Unlimited	
Timothy Mableson	Unlimited	
David Kidman	Unlimited	
John Marsden	\$20,000	
Geoff Bishop	\$20,000	

SYDNEY
MELBOURNE
ADELAIDE
BRISBANE
PERTH
KUALA LUMPUR
SINGAPORE

Affiliated through:
Zolfo Cooper
UNITED STATES
KLC Kennic Lui & Co.
CHINA
HONG KONG
Andersch AG
GERMANY

- If there are any outstanding or unfulfilled orders placed by the Company prior to our appointment, including those under which there are goods in transit, please contact John Marsden of this office on (08) 8100 7603 or john.marsden@fh.com.au to obtain written confirmation that the order should proceed.

Please be advised that as a result of the Voluntary Administrators' appointment payment of unsecured creditors' accounts outstanding as at 6 August 2018 is postponed.

1.2 Consignment stock, goods subject to purchase money security interests and liens / pledges

If you supplied consignment stock to the Company, or believe you provided stock subject to a purchase money security interest (formerly a retention of title clause), or claim a lien / pledge over any of the Company's assets, please contact George Choimes of this office on (08) 8100 7656 as a matter of urgency.

1.3 Contracts / agreements

The Voluntary Administrators expressly refrain from personally adopting any of the Company's contracts existing at the date of their appointment. All contracts are currently under review. The Voluntary Administrators will advise the status of contracts as soon as practicable.

1.4 Property used but not owned by the Company

In accordance with section 443B of the Act, the Voluntary Administrators' liability under hire purchase or lease agreements does not commence until seven days after the Voluntary Administrators' appointment. Further, pursuant to Section 440B of the Act, the lessor or owner of property in the Company's control is not entitled to take possession of such property without leave of the Court or the Voluntary Administrators' written consent.

We will write separately to known lease and hire purchase creditors regarding such assets. Please contact this office if you do not receive our letter.

2 Further information

For further information concerning the Voluntary Administration process and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com. In addition, you can access general information about external administrations and insolvency from ARITA's website at www.arita.com.au.

A detailed circular will be issued to creditors by 8 August 2018 advising of a first creditors meeting and attaching the relevant documentation to enable creditors to lodge their claim with the Voluntary Administrators.

Yours faithfully
York Civil Pty Ltd (Administrators Appointed)



MD Lewis and TD Mablesen
Joint and Several Voluntary Administrators

Annexure D

Short guide to the Personal Property Securities Act

What is the Personal Property Securities Act?

The Personal Property Securities Act 2009 (PPSA) established national legislation governing security interests in personal property. It replaced a large number of existing Commonwealth, State and Territory laws. "Personal Property" is any property that is not "Real Property" (i.e. land and buildings and fixtures). Personal Property generally includes all property (tangible and intangible) other than land and buildings, fixtures, most water rights and some statutory licences. It includes goods or inventory, intellectual property, shares, debts and contractual rights.

There is a single national Register for parties to record their interests in personal property, called the Personal Property Securities Register (PPSR), on which all security interests in personal property can be registered. The PPSR replaced a number of State and Commonwealth registers, including the ASIC Register of Company Charges and all State Registers of Encumbered Vehicles (REVs). Any holder of a security interest in personal property must register to ensure they have a priority claim over that property.

The PPSA has changed the way security interests are dealt with across Australia. Legal title to personal property in some situations is no longer enough to protect owners, as this legislation overturns fundamental personal property law concepts.

What is a 'Security Interest'?

A security interest is an interest in personal property, created by a transaction that secures payment or performance of an obligation.

Security interests can include:

- Interests of owners in assets leased to other parties;
- Interests of sellers of goods subject to hire purchase agreements;
- Interests of suppliers in stock delivered but subject to retention of title arrangements.

The PPSA states that a security interest exists regardless of the form of the transaction, or the identity of the person who has title to the property. The concept of a security interest under the PPSA covers a broader range of interests than traditional security concepts.

If you have a security interest, it must be perfected. If you have not perfected your security interest, usually by registration on the PPSR, you may lose the ability to enforce your claim.

How does the PPSA impact your business?

There are some significant implications for businesses arising from the PPSA, for example:

Retention of title arrangements

Some transactions that were not previously security interests are now registerable on the PPSR. For example, if you sell goods on retention of title terms, you may need to review your terms of trade and register an interest on the PPSR to protect your interest in goods delivered but not paid for.

Leases

Under the PPSA, 'title' or 'ownership' of goods can have a lower status than possession or control of goods if the owner of the goods has not registered their interest on the PPSR. You should register your security interest to 'perfect' your rights. If you do not register, then you may not be able to recover your goods or receive payment if the customer becomes insolvent. You may also lose your rights to another creditor of the customer who has 'perfected' their security interest over the property.

You should seek legal advice about the implications of the PPSA to your individual circumstances.

For more information regarding how the PPSA may impact your business, including detailed examples and case studies, visit our website at:

SecuriSearch is an Android, iOS and Windows application allowing users to search and review the PPSA quickly and easily from a mobile device.

Visit [FerrierHodgson](http://FerrierHodgson.com) website to find out more or scan this QR Code



To download this application for an **Android device**, please scan this QR Code



To download this application for **iOS device**, please scan this QR Code



To download this application for an **Windows device**, please scan this QR Code



Annexure E

Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed.

If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions. If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims. An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the company into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator. These additional costs of appointing another registered liquidator are paid from the assets of the deed of company arrangement or liquidation, in priority to creditor claims.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint

Annexure F

**York Civil Pty Ltd (Administrators Appointed) (the Company)
ACN 050 019 960**

Initial Remuneration Notice

The purpose of the Initial Remuneration Notice is to provide you with information about how the Voluntary Administrators' remuneration for undertaking the administration will be set.

1 Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an Insolvency Practitioner as follows:

1.1 Time based (hourly rates)

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

1.2 Fixed fee

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

1.3 Percentage

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

1.4 Contingency

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

2 Remuneration method chosen

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

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

3 Explanation of hourly rates

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

Title	Rate (\$)	Experience
Partner/Appointee	535	The Partner / Appointee is a registered liquidator and member of the ICAA and, generally, ARITA, bringing specialist skills to the liquidation or insolvency task. For specific experience and other details of the appointee(s), please visit our website at www.ferrierhodgson.com .
Director	475	Generally, minimum of 12 years' experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and, generally, ARITA, with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	425	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of the ICAA and, generally, ARITA; very strong knowledge of relevant insolvency legislation and issues.
Manager	375	Generally, 5 to 7 years' chartered accounting or insolvency management experience. University degree; member of the ICAA and, generally, ARITA; sound knowledge of relevant insolvency legislation and issues.
Assistant Manager	350	Generally, 4 to 6 years' chartered accounting or insolvency management experience. University degree; member of the ICAA; completing ARITA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior Analyst	300	Generally, 2 to 4 years' chartered accounting or insolvency management experience. University degree; completing the ICAA's CA program. Good knowledge of basic insolvency legislation and issues.
Analyst	250	Generally, 2 to 3 years' chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Accountant	200	0 to 2 years' experience. Has completed or substantially completed, on a part-time basis, a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Junior Accountant	175	0 to 1 years' experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes directions from senior staff in completing administrative tasks.
Senior Accounts Analyst	190	Appropriate skills including data entry and analysis and machine usage.
Senior Secretarial	175	Generally non-qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.
Clerk / Junior Assistant	130	Non-qualified person but has completed schooling. Required to assist in administration and day to day field work under the supervision of more senior staff.

Notes:

- *The hourly rates are exclusive of GST.*
- *The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the administration. Staff may be engaged under a classification considered appropriate for their experience.*
- *Time is recorded and charged in six-minute increments.*
- *Creditor approval will be sought prior to the application of any new rates to this administration.*

4 Estimated remuneration

We estimate fees for the voluntary administration of the Company's affairs at least \$400,000 plus applicable GST (on the basis there is no extension of the convening period).

It should be noted that if, during the course of the administration, any unanticipated issues arise, it may be necessary to revisit the fee estimate. In the event that we become aware that our costs will exceed this amount we will advise you accordingly.

5 Disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; although if a data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room or the number of users per month. Certain services provided by Ferrier Hodgson may require the processing of electronically stored information into specialist review platforms. Where these specialist resources are utilised, the fee will be based on units (e.g. number of computers), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting).

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

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

Details of the basis of recovering disbursements in this administration are provided below:

Disbursement type	Charges (excl GST)
Advertising	At cost
Couriers	At cost
Data room hosting	Variable – see separate table below
eDiscovery services	Variable
Facsimile	At cost

Disbursement type	Charges (excl GST)
Mileage reimbursement	\$0.66 per kilometre
Photocopying	At cost
Photocopying (outsourced)	At cost
Printing	At cost
Printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Storage and storage transit	At cost
Telephone calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2019. Disbursements charged at cost do not require creditor approval.

Data room hosting fees by size (MB)	Charges per month (excl GST)
0-300	\$950
300-1000	\$950 + \$2.50/MB
1000-5000	\$2,500 + \$1.25/MB
5000+	\$7,500 + \$0.60/MB

Dated this 7th day of August 2018



MD Lewis and TD Mableson
Joint and Several Voluntary Administrators