

27 August 2024

## Initial Circular to Creditors

Dear Sir/Madam

**Redflow Limited (ACN 130 227 271)  
and certain entities listed in Schedule A  
(All Administrators Appointed)  
(collectively “the Companies”)**

I advise that we, David Orr and Richard Hughes, were appointed Joint and Several Voluntary Administrators (**Administrators**) of the Companies on 23 August 2024, pursuant to Section 436A of the *Corporations Act 2001* (Cth) (the **Act**). Copies of our Notices of Appointment is enclosed (**Annexure A**).

### **Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)**

We attach our DIRRI at **Annexure B**. The DIRRI discloses information regarding our independence, any prior personal or professional relationships that the Administrators and Deloitte have had with the Companies or related parties and any indemnities received relating to this appointment.

### **First meeting of creditors**

We are required to convene a first meeting of creditors within eight (8) business days following our appointment. The first meetings of creditors will be held concurrently at **10:00 AM (AEST) on Wednesday, 4 September 2024**. This meeting will be held virtually. Please refer to the notice of meeting included at **Annexure C** for further information about this meeting.

We will be using the Deloitte Halo platform throughout the administration for creditors to lodge claims, communication, adjudication of claims and voting at the meetings of creditors. All creditors should:

1. Go to our website and register at <https://aurestructuring.deloitte-halo.com/service/website/Redflow>
2. Lodge a claim.

The meeting will be hosted using Microsoft Teams Live Events technology and is accessible by registering to vote at our website: <https://aurestructuring.deloitte-halo.com/service/website/Redflow>

A guide for lodging a claim and voting in Halo is included at **Annexure D**.

**Attendance at the first meeting of creditors is not mandatory** and will not prevent you from lodging a claim against the Companies or affect any of your rights as against the Companies that may exist as at the date of our appointment.

One of the purposes of the first meeting is to determine whether to appoint a committee of inspection. We will also use the first meeting to inform creditors of the administration process and provide any relevant update.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and their affiliated entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Please contact us via the [Redflow@deloitte.com.au](mailto:Redflow@deloitte.com.au) email address with any questions.

## Committee of inspection (COI)

Subject to any nominations being received by the Administrators, at the first meeting, creditors will resolve on whether a COI should be appointed the Companies.

The role of the COI is to consult with the Administrators about matters relevant to the voluntary administration and receive and consider reports from the Administrators. It may also approve the Administrators' fees. At times, the Administrators may call upon a COI for assistance. It is a voluntary role, and the COI members are not remunerated for their time. All members of the COI will have to sign a confidentiality undertaking to our satisfaction.

Should you wish to be a COI member or would like to nominate someone to act as a member please refer to Appendix E.

## Voting at the first meeting of creditors

Should sufficient nominations for a COI be received, the Administrators will ask creditors to vote on whether to ratify the appointment of the COI.

Any voting will be undertaken using the Halo platform. We enclose a Halo - Proxy Nomination & Voting Guide at **Annexure F** to assist creditors with lodging a proxy form and voting at the first meeting.

## Administrators' Remuneration

Please refer to our Initial Remuneration Notice at **Annexure G**.

## Voluntary administration procedure

The effect of our appointment is to place a moratorium on the payment of unsecured creditors' accounts in relation to trading and other debts incurred up to the date of our appointment, until creditors make a decision about the Companies' future at the second meeting of creditors (**Second Meeting**). Creditors with security interests including retention of title creditors will have their entitlements determined in accordance with relevant processes under applicable law.

Attached as **Annexure H** is an *Information Sheet – Voluntary administration: A guide for creditors*.

## Second meeting of creditors

Pursuant to Section 439A of the Act, the Administrators are required to convene the Second Meeting to decide the future of the Companies.

The period for convening the Second Meeting is 20 business days from the date of the appointment in accordance with Section 439A(5) of the Act (**Convening Period**).

## Creditors' rights

Attached as **Annexure I** is *Information Sheet – Creditors Rights in Voluntary Administration*.

## Ongoing trading

The Companies are continuing to trade while we undertake an urgent assessment of their financial position. We are working with key stakeholders and have commenced a sale and/or recapitalisation process.

Whilst we assume responsibility for the business, the Companies' management team will continue to assist us with the operations of the business during the administration.

We may request ongoing services from you for the period of the Administration and should such a request be received from our office, we ask that you please open a new account for the relevant purchasing entity styled with the company name followed by "(Administrators Appointed)". Please charge future authorised orders to these accounts, which will be paid in accordance with usual terms of credit. Please also note for all future properly authorised orders are guaranteed by the Administrators.

The Administrators will not accept liability for payment for any goods or services supplied during the administration period without an authorised Deloitte purchase order and a purchase order from the appropriate company in Administration being provided. A list authorised signatories and their respective approval limits is contained at **Annexure J**.

Your continued support of the business is appreciated during this period and is critical to achieving a successful outcome for all creditors, including employees.

## Questions

We encourage all creditors to register their claim on the Deloitte Halo platform. Once you have registered and lodged your claim, you will be able to send messages directly to our team who will endeavour to provide a prompt response to your question.

Should you have any questions, please send them via the Halo platform or to [Redflow@deloitte.com.au](mailto:Redflow@deloitte.com.au).

Yours faithfully



**David Orr**  
Joint and Several Administrator

Encl.

## List of Annexures:

<b>Annexure A</b>	ASIC – Form 505 – Notice of Appointment
<b>Annexure B</b>	A Declaration of Independence, Indemnities & Relevant Relationships ( <b>DIRRI</b> ) for the purposes of Section 436DA of the Act
<b>Annexure C</b>	Notice of Meeting of Creditors to be held on Wednesday, 4 September 2024 at 10:00AM (AEST)
<b>Annexure D</b>	Guide for Lodging a Claim and Voting in Halo
<b>Annexure E</b>	COI Nomination Form
<b>Annexure F</b>	Halo - Proxy Nomination & Voting Guide
<b>Annexure G</b>	Initial Remuneration Notice
<b>Annexure H</b>	ASIC Information Sheet – Voluntary Administration: A guide for creditors
<b>Annexure I</b>	ARITA Information Sheet – Creditor Rights in Voluntary Administration
<b>Annexure J</b>	Authorised signatories

Schedule A – Redflow Group of companies

Company name	ABN	ACN
Redflow Limited	49 130 227 271	130 227 271
Redflow International Pty Ltd	57 128 888 997	128 888 997
Redflow R&D Pty Ltd	27 116 992 253	116 992 253
Zcell Australia Pty Ltd	-	613 792 420

Annexure A – ASIC – Form 505 – Notice of Appointment

**Form 505**

Corporations Act 2001  
**415(1), 427(2), 427(4), 450A(1)(a),**  
**499(2C)(a) & (b), 537(1) & (2),**  
Insolvency Practice Rules (Corporations) 2016  
**s70-60(2)**  
Corporations Regulations 2001  
5.3B.50, 5.3B.54, 5.5.06

## External Administration or Controllorship Appointment of an administrator or controller

### Liquidator details

Registered liquidator number

**480292**

Registered liquidator name

**DAVID MICHAEL ORR**

### Company details

Company name

**REDFLOW LIMITED**

ACN

**130 227 271**

Industry division

**MANUFACTURING**

Industry group

**Other Manufacturing**

ANZSIC Code

**259**

### Add a new appointment

#### Appointee details

Liquidator No.

**480292**

Person Name

**DAVID MICHAEL ORR**

Address

**DELOITTE, 'RIVERSIDE CENTRE  
DELOITTE' LEVEL 23 123 EAGLE  
STREET BRISBANE QLD 4000 Australia**

Type of Appointment **Appointed Jointly and  
Severally**

---

Appointee details

Liquidator No. **326810**

Person Name

**RICHARD JOHN HUGHES**

Address

**DELOITTE TOUCHE TOHMATSU,  
'RIVERSIDE CENTRE' LEVEL 23 123  
EAGLE STREET BRISBANE QLD 4000  
Australia**

Type of Appointment **Appointed Jointly and  
Severally**

---

**Appointment Details**

---

Provide the date of appointment.

**23-08-2024**

Type of administrator

**Administrator**

Method of appointment

**other appointment**

---

**Authentication**

---

This form has been authenticated by

Name **DAVID MICHAEL ORR**

This form has been submitted by

Name **David Michael ORR**

Date **23-08-2024**

---

**Payment**

You need to pay the fee (and any late fees if required) by Bpay or cheque in accordance with the instructions on your invoice

**For more help or information**

Web

[www.asic.gov.au](http://www.asic.gov.au)

Ask a question?

[www.asic.gov.au/question](http://www.asic.gov.au/question)

Telephone

1300 300 630



**Form 505**

Corporations Act 2001  
**415(1), 427(2), 427(4), 450A(1)(a),**  
**499(2C)(a) & (b), 537(1) & (2),**  
Insolvency Practice Rules (Corporations) 2016  
**s70-60(2)**  
Corporations Regulations 2001  
5.3B.50, 5.3B.54, 5.5.06

## External Administration or Controllorship Appointment of an administrator or controller

### Liquidator details

Registered liquidator number

**480292**

Registered liquidator name

**DAVID MICHAEL ORR**

### Company details

Company name

**REDFLOW INTERNATIONAL PTY. LTD.**

ACN

**128 888 997**

Industry division

**MANUFACTURING**

Industry group

**Other Manufacturing**

ANZSIC Code

**259**

### Add a new appointment

#### Appointee details

Liquidator No.

**480292**

Person Name

**DAVID MICHAEL ORR**

Address

**DELOITTE, 'RIVERSIDE CENTRE  
DELOITTE' LEVEL 23 123 EAGLE  
STREET BRISBANE QLD 4000 Australia**

Type of Appointment **Appointed Jointly and  
Severally**

---

Appointee details

Liquidator No. **326810**

Person Name

**RICHARD JOHN HUGHES**

Address

**DELOITTE TOUCHE TOHMATSU,  
'RIVERSIDE CENTRE' LEVEL 23 123  
EAGLE STREET BRISBANE QLD 4000  
Australia**

Type of Appointment **Appointed Jointly and  
Severally**

---

**Appointment Details**

---

Provide the date of appointment.

**23-08-2024**

Type of administrator

**Administrator**

Method of appointment

**other appointment**

---

**Authentication**

---

This form has been authenticated by

Name **DAVID MICHAEL ORR**

This form has been submitted by

Name **David Michael ORR**

Date **23-08-2024**

---

**Payment**

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Telephone

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**Form 505**

Corporations Act 2001

**415(1), 427(2), 427(4), 450A(1)(a),**

**499(2C)(a) & (b), 537(1) & (2),**

Insolvency Practice Rules (Corporations) 2016

**s70-60(2)**

Corporations Regulations 2001

5.3B.50, 5.3B.54, 5.5.06

## External Administration or Controllorship Appointment of an administrator or controller

### Liquidator details

Registered liquidator number

**480292**

Registered liquidator name

**DAVID MICHAEL ORR**

### Company details

Company name

**REDFLOW R&D PTY LTD**

ACN

**116 992 253**

Industry division

**MANUFACTURING**

Industry group

**Other Manufacturing**

ANZSIC Code

**259**

### Add a new appointment

#### Appointee details

Liquidator No.

**480292**

Person Name

**DAVID MICHAEL ORR**

Address

**DELOITTE, 'RIVERSIDE CENTRE  
DELOITTE' LEVEL 23 123 EAGLE  
STREET BRISBANE QLD 4000 Australia**

Type of Appointment

**Appointed Jointly and  
Severally**

Appointee details

Liquidator No. **326810**

Person Name

**RICHARD JOHN HUGHES**

Address

**DELOITTE TOUCHE TOHMATSU,  
'RIVERSIDE CENTRE' LEVEL 23 123  
EAGLE STREET BRISBANE QLD 4000  
Australia**

Type of Appointment

**Appointed Jointly and  
Severally**

---

## Appointment Details

Provide the date of appointment.

**23-08-2024**

Type of administrator

**Administrator**

Method of appointment

**other appointment**

---

## Authentication

This form has been authenticated by

Name **DAVID MICHAEL ORR**

This form has been submitted by

Name **David Michael ORR**

Date **23-08-2024**

---

## Payment

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**Form 505**

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**499(2C)(a) & (b), 537(1) & (2),**  
Insolvency Practice Rules (Corporations) 2016  
**s70-60(2)**  
Corporations Regulations 2001  
5.3B.50, 5.3B.54, 5.5.06

## External Administration or Controllorship Appointment of an administrator or controller

### Liquidator details

Registered liquidator number

**480292**

Registered liquidator name

**DAVID MICHAEL ORR**

### Company details

Company name

**ZCELL AUSTRALIA PTY LTD**

ACN

**613 792 420**

Industry division

**MANUFACTURING**

Industry group

**Other Manufacturing**

ANZSIC Code

**259**

### Add a new appointment

#### Appointee details

Liquidator No.

**480292**

Person Name

**DAVID MICHAEL ORR**

Address

**DELOITTE, 'RIVERSIDE CENTRE  
DELOITTE' LEVEL 23 123 EAGLE  
STREET BRISBANE QLD 4000 Australia**

Type of Appointment **Appointed Jointly and  
Severally**

---

Appointee details

Liquidator No. **326810**

Person Name

**RICHARD JOHN HUGHES**

Address

**DELOITTE TOUCHE TOHMATSU,  
'RIVERSIDE CENTRE' LEVEL 23 123  
EAGLE STREET BRISBANE QLD 4000  
Australia**

Type of Appointment **Appointed Jointly and  
Severally**

---

**Appointment Details**

---

Provide the date of appointment.  
**23-08-2024**

Type of administrator  
**Administrator**

Method of appointment  
**other appointment**

---

**Authentication**

---

This form has been authenticated by  
Name **DAVID MICHAEL ORR**  
This form has been submitted by  
Name **David Michael ORR**  
Date **23-08-2024**

---

**Payment**

You need to pay the fee (and any late fees if  
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with the instructions on your invoice

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Ask a question? [www.asic.gov.au/question](http://www.asic.gov.au/question)  
Telephone 1300 300 630

Annexure B - A Declaration of Independence, Indemnities & Relevant Relationships (DIRRI) for the purposes of Section 436DA of the Act

## Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

**Redflow Limited (Administrators Appointed)**

**ACN 130 227 271**

**Redflow International Pty Ltd (Administrators Appointed)**

**ACN 128 888 997**

**Redflow R&D Pty Ltd (Administrators Appointed)**

**ACN 116 992 253**

**Zcell Australia Pty Ltd (Administrators Appointed)**

**ACN 613 792 420**

**(Collectively, Redflow Group)**

This document requires the Practitioners 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 24 months;
  - (iii) any prior professional services for the company within the previous 24 months;
  - (iv) that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our partners and Deloitte Financial Advisory Pty Limited (Deloitte).

### A. Independence

We, Richard Hughes and David Orr, of Deloitte, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as administrators of the Redflow Group in accordance with the law 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

Deloitte was approached by Redflow Group's legal representatives, Thomson Geer, to provide our qualifications and hourly rates on 5 August 2024. We provided this information on 7 August 2024 to Thomson Geer. We subsequently had two meetings on 22 August 2024 with Redflow Group's officers.



The first meeting was in person with Tim Harris, CEO and Michael Hipwood, CFO of respectively, of the Redflow Group (with the Chair, Brett Johnson, joining via teams later in the meeting). at the Redflow Group's principal place of business. This meeting was for the purposes of:

- us obtaining background about the Redflow Group in order for us to assess whether to accept the appointments; and
- Provide general information to the CEO, CFO and Chair on the voluntary administration process and its consequences for the Redflow Group.

The CEO and CFO subsequently provided specific documents via email to allow us to further consider the appointments.

The second meeting was held at approx. 5pm that day. At that meeting, we provided our consents to act and the board resolved to appoint us administrators of the Redflow Group early the following day.

We received no remuneration for our time in attending these meetings or reviewing the documents provided to us.

In our opinion these communications do not affect our independence for the following reasons:

- these meetings were in the nature of a pre-appointment discussion and were limited to the financial position of the Redflow Group.
- during these meetings advice was limited to verbal discussions regarding the options available.
- it is our opinion that these meetings do not present a conflict or impediment as we do not consider ourselves to be bound to provide services to the Redflow Group in relation to this matter or in any way obligated to deliver a favourable outcome to any party, nor will the advice provided be subject to review and challenge during the course of the voluntary administration.
- the Courts and the ARITA's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or impediment to accepting the appointment.

We have provided no other information or advice to the Redflow Group, its directors or its advisors prior to our appointment beyond that outlined in this DIRRI.

## **ii. Relevant Relationships (excluding Professional Services to the Companies)**

Neither we, nor our firm, have, or have had within the preceding 24 months, any relationships with the Redflow Group, an associate of the Redflow Group, a former insolvency practitioner appointed to the Redflow Group, or any person or entity that has a charge on the whole or substantially whole of the Redflow Group's property.

## **iii. Prior Professional services to the Companies**

Neither we, nor our firm, have provided any professional services to the Redflow Group in the previous 24 months.

#### iv. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Redflow Group, an associate of the Redflow Group, a former insolvency practitioner appointed to the Redflow Group or any person or entity that has security over the whole or substantially whole of the Redflow Group'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 up-front payments in respect of our remuneration or disbursements.

Dated: 26 August 2024



**Richard Hughes**  
Administrator



**David Orr**  
Administrator

#### Note:

1. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI 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 - Notice of Meeting of Creditors to be held on Wednesday, 4 September 2024 at 10:00AM (AEST)

Section 436E & 450A  
Corporations Act 2001

5.3A.03A & 5.3A.07A & 5.6.75  
Corporations Regulations 2001

Insolvency Practice Rules (Corporations)  
75-10, 75-15, 75-20, 75-35, 75-40, 75-225

NOTICE OF FIRST MEETING OF  
CREDITORS OF COMPANIES UNDER ADMINISTRATION  
AND  
NOTICE OF APPOINTMENT  
OF JOINT AND SEVERAL ADMINISTRATORS

**Redflow Limited (ACN 130 227 271)**  
**and certain entities listed in Schedule A**  
**(All Administrators Appointed)**  
**(Collectively "The Companies")**

On 23 August 2024 the Companies under section 436A of the *Corporations Act 2001* appointed Richard Hughes & David Orr of Deloitte Financial Advisory Pty Ltd, Level 23, 123 Eagle Street, Brisbane, Qld, 4000 as the Joint and Several Voluntary Administrators (**Administrators**) of the Companies.

Notice is given under Insolvency Practices Rules (Corporations) (IPR) section 75-225 that a virtual concurrent meeting of the creditors of the Companies (the Meeting) will be held:

**Place:** To be held virtually  
**Date:** Wednesday, 4 September 2024  
**Time:** 10:00AM (AEST)  
**URL:** <https://aurestructuring.deloitte-halo.com/service/website/redflow>

The purpose of the meeting is to:

- a. Inform creditors of the administration process; and
- b. Determine whether to appoint a committee of inspection.

At the meeting, creditors may also, by resolution:

- a. remove the Joint and Several Administrators from office (if applicable); and
- b. appoint someone else as administrator of the Companies.

**Votes to be taken on a poll**

Votes taken at the Meeting will be taken on a poll. This means that, to calculate the outcome of each resolution, the Administrators must calculate the number and dollar value of each vote in favour together with the number and dollar value of each vote against.

A resolution is taken to have passed if a majority in both number and dollar value have voted in favour.

**Attendance at this meeting is not compulsory.**

Creditors may access electronic proofs of debt via the Deloitte Halo platform from 26 August 2024 at:

<https://aurestructuring.deloitte-halo.com/service/website/redflow>

Proofs of debt must be lodged on the Deloitte Halo platform by **4:00pm (AEST) on Tuesday, 3 September 2024.**

Creditors may attend virtually and vote in person electronically, by proxy or attorney. The appointment of a proxy must be in the approved form. A special proxy can be lodged confirming approval or rejection of each resolution.

Proxy forms must be lodged through the Halo platform by not later than **4:00PM (AEST) Tuesday, 3 September 2024**. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Please note under IPR section 75-25 if you wish to participate in the meeting using such facilities you must give the convenor not later than **4:00PM (AEST) Tuesday, 3 September 2024**. a written statement, lodged via the Deloitte Halo platform, setting out:

- i. the name of the person and of the proxy or attorney (if any); and
- ii. an email address to which notices to the person, proxy or attorney may be sent; and
- iii. a method by which the person, proxy or attorney may be contacted for the purposes of the meeting.

Upon receipt of the above-mentioned statement of participation, a link for the virtual meeting will be displayed after you log onto the Deloitte Halo Platform.

Please note that additional guides on the process of lodging a claim and registering/voting for the meeting can be found in the Halo platform here:

<https://aurestructuring.deloitte-halo.com/service/website/redflow>

DATED this 27<sup>th</sup> day of August 2024.



**David Orr**  
Joint and Several Administrator

## \*\*\*\*GUIDANCE NOTES\*\*\*\*

### Participating at a virtual meeting

The virtual meeting will be hosted using Microsoft Teams Live Events technology and is accessible by registering to vote at the following link <https://aurestructuring.Deloitte-Halo.com/service/website/redflow>

The Microsoft Teams Live Events technology and Halo platform together enable all participants at the virtual meeting a reasonable opportunity to participate in a vote taken at the meeting, and to ask questions via the Microsoft Teams Live Events technology, without being physically present.

A creditor or proxy is able to participate in a vote taken at the meeting by voting on the Halo platform. Given the nature of the proposed resolutions at the Meeting, the creditor or proxy will only be able to vote at the Meeting in real-time as per announcements by the Chairperson of the Meeting. When voting commences, the eligible creditor or the creditor's proxy can lodge their vote by logging into Halo and clicking 'Start Voting' on the 'Claims' dashboard.

Only registered attendees are entitled to ask questions during the meeting. Due to the number of creditors that will be in attendance at the meeting, there are two options to submit questions:

1. Ask a question during the Meeting via the question and answer function available through the Microsoft platform.
2. Submit a question to be answered in advance via direct messaging to the Administrators' office in your Halo profile.

Questions submitted via the above means will then be collated and answered by the Administrators, who will use their best endeavours to answer all questions of creditors during allocated question and answer time. Please note that, due to the number of creditors in attendance there will be no opportunity to ask a question verbally during the meeting. When submitting a question in the Microsoft Teams Live Event, please make sure you disclose your full name and the organisation which is a creditor of any of the companies in the Company when submitting the question so that the Administrators can address your question directly and disclose to the meeting who is asking the question.

To ensure the meeting runs in a controlled manner, the Administrators will allow creditors to ask questions prior to the meeting which can then be answered by the Chairperson in the meeting. During the meeting, creditors will be able to ask questions through the Q&A chat functionality in the Microsoft Teams platform, which will be answered during the meeting of creditors. Final decisions regarding the technological features that may be employed will be made at the meeting.

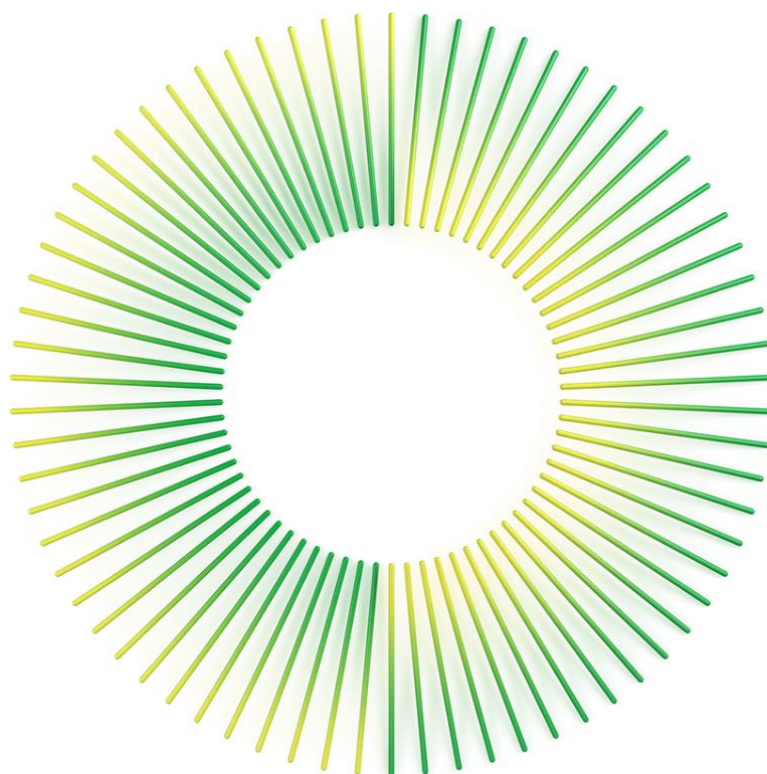
### Entitlement to vote at meetings of creditors

- (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 a) in the notice convening the meeting as the person who may receive particulars of the debt
- b) or claim:
  - a. those particulars; or
  - b. 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 the value of such debt or claim 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 companies directly, or may be liable to the companies 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.

Annexure D - Guide for Lodging a Claim and Voting in Halo





# Halo – How to Guide

Redflow Limited (ACN 130 227 271)

(Administrators Appointed)

# Contents

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# i Overview

The Administrators will be using Deloitte's Halo platform as the primary tool for communicating with creditors and managing claims (known as proofs of debt). Halo will also be used to conduct voting on any resolutions for the meetings of creditors.

The Administrators have prepared this guide to assist you as a creditor or potential creditor to understand the steps that must occur to ensure you are appropriately registered and have lodged your claim in Halo. The next three pages set out an overview of these steps. Refer to the later sections of this guide for further details of the specific actions, screens in Halo and FAQs for each of these steps.

## 1 Register in Halo

You'll need an email address and basic contact information to register at this page:

<https://aurestructuring.deloitte-halo.com/service/website/Redflow>

## 2 Add a claim

Adding a claim in Halo requires basic details of your claim, including:

- the company that owes you money;
- the claim type (e.g. financier, employee, subcontractor, trade supplier); and
- a description of the amount you are owed.

You can also upload additional documentation to support your claim for consideration by the Administration (e.g. copy of invoice).

*All images are indicative, actual Halo screens may look slightly different*

# 1 Register in Halo

Halo is the platform used to manage claims (proofs of debt) during the Administration.

You will need to register in Halo to:

- (1) submit claims and supporting documentation or modify previous claims submitted, and
- (2) provide, verify or update contact information provided to the Administrators.

## How to register in Halo

- ✓ Click <https://aurestructuring.deloitte-halo.com/service/website/Redflow?Pg=account> which will direct you to access the 'My Account' page.
- ✓ Enter your chosen email address and authorise your consent to electronic communication (terms and conditions).
- ✓ Once the terms and conditions box is ticked, select '**Register**'. Be sure not to close the Halo webpage at this stage.

Please click [here](#) if you need further guidance or help in registering, signing in or submitting your claims.

Registration Sign In

**Registration**

E-mail \*

E-mail

☐ I/We authorise the External Administrator on behalf of the Virgin Group to send and give notices and documents where such notices and documents may be sent by email, by using the email address above.

Where the external administration has evolved into another form of external administration (such as a voluntary administration becoming a deed of company arrangement or creditors voluntary liquidation), I/we authorise the External Administrator of the Virgin Group whether as voluntary administrator or deed administrator or liquidatory of the Virgin Group and his employees and agents to send and give notices and documents where such notices and documents may be sent by email to me/us using the email address provided above.

Register

- ✓ You will then be sent a verification email with a '**One Time Password (OTP)**' and a verification link to your email address.
- ✓ In the email sent from Halo, you are able to verify your email address by either clicking the **verification link** or entering the listed OTP on the Halo webpage.

Please click [here](#) if you need further guidance or help in registering, signing in or submitting your claims.

Registration Sign In

**Registration**

Enter the one time password you've received

Verify Account

- ✓ If entering the OTP, enter the digits and click '**Verify Account**' on the Halo webpage. If clicking the verification link, a new webpage will open.
- ✓ Add your contact details into the form and select '**Sign Up**'.

Please click [here](#) if you need further guidance or help in registering, signing in or submitting your claims.

Registration

Sign In

### Registration

First Name \*

Surname \*

Phone \*

+ 61

Are you representing an organisation? \*

☐ Yes ☐ No

E-mail \*

Sign in later using this E-mail

Password \*

Min 8 Characters

Lowercase

Uppercase

Letters & Numbers

Special Characters

Confirm Password \*

Sign Up

# FAQs on registering in Halo

## What is Halo?

Deloitte's Halo platform is the primary tool for communicating with creditors and managing creditors' claims (proofs of debt). Halo will also be used to conduct voting on any resolutions for meetings of creditors.

## Do I need to register? How do I register?

If you are a first-time user, you will need to register in the Halo platform or confirm your email account.

## I didn't receive an One Time Password (OTP) email, where is it?

Please check your spam/junk folder for the OTP email. Additionally, OTP emails can take up to 30 minutes or longer to arrive in your inbox depending on the IT security your organisation has in place. If your OTP doesn't arrive after an hour, please contact the Halo team via message in the Halo platform.

## My OTP isn't working, what do I do?

If you are getting an '**Invalid OTP**' error when entering your OTP, it is likely the OTP is entered incorrectly, or it has expired. Please request a new OTP. If you are getting an '**Invalid email or password**' error, you are entering the OTP in the wrong field. The OTP should be entered in the box which appears after you request the OTP. Please request a new OTP and do not close the webpage as you will need to enter the OTP here.

## I forgot my password, what do I do?

You can reset your password on the '**Sign In**' tab by clicking '**Forgot password**'. You will need to enter the email you registered with. After entering your email and clicking '**Request Password**', do not close the webpage. A field should appear which says, '**Enter the one-time password you've received**'. Do not enter the OTP in the regular '**Sign in**' tab as you will receive the error message '**Invalid email or password**'. Enter the OTP you received in this field and click '**Verify Account**'. You will then have the option to change your password.

## How can I change my contact details?

If you have already registered in the Halo platform, sign in via '**My Account**' to change your username or contact number. If you have not registered or signed in to the Halo platform, you can submit a request to change your contact details by emailing the team at [redflow@deloitte.com.au](mailto:redflow@deloitte.com.au). Our team will get back to you and provide assistance.

## Why was I asked to provide consent to be contacted before registering?

By registering on this website, you authorise the Administrators to send and give notices and documents where such notices and documents may be sent by email, by using the email address provided.

We will contact you regarding your claim via the email address you have provided. Where the Administration has evolved into another form of external administration (such as a voluntary administration becoming a deed of company arrangement or creditors' voluntary liquidation), you authorise the Administrators of the Company whether as voluntary administrator or deed administrator or liquidator of the Company and their employees and agents to send and give notices and documents where such notices and documents may be sent by email to you using the email address provided.

This will help us to efficiently manage the Administration and any other subsequent external administration of the Company where we are appointees. Naturally, we will not send you anything that does not relate to our role as appointees of the Company.

## What will my information be used for?

The information provided in the Halo platform will be used by the Administrators in carrying out their duties in the provisional liquidation of the Company such as management of creditor claims, communications with creditors, assessment of the financial position of the Company or for preparation of statutory reporting as required by law.

You have various rights in relation to your personal information, including the right to seek access to, or to correct, your information (for more information, please see our [Privacy Statement](#)). More information about how we will handle your personal information, how you can lodge a complaint, how you can contact us and how you may access and seek correction of your information are set out in our Privacy Statement at <https://www2.deloitte.com/au/en/legal/privacy.html>.

At no point are you required to provide sensitive personal information (also called 'special category' personal information), such as information about your ethnicity, health and wellbeing or sexuality. If you do choose to include such information in your free-text answers in providing claim information (proof of debt) to the Administrators (i.e. because you think it is relevant to the claim question) this is your consent for Deloitte and the Administrators to collect and process that sensitive personal information. For any other enquiries, you can contact the privacy team at: [privacy@deloitte.com.au](mailto:privacy@deloitte.com.au)

## 2 Add a claim

Once you have verified your account or registered as a new user, you can log in to submit claims (proofs of debt) or modify previous claims provided.

If you have previously submitted a claim it should be displayed on your **'My Claims'** dashboard. If your previously submitted claim is not on your **'My Claims'** dashboard, please contact the Halo Help Team and they will be able to assist.

### To add a claim in Halo

- ✓ Click <https://aurestructuring.deloitte-halo.com/service/website/Redflow?Pg=account> which will direct you to access the **'My Account'** page
- ✓ Click the **'Sign In'** tab and enter your email address and password you registered during the registration process.

Please click [here](#) if you need further guidance or help in registering, signing in or submitting your claims.

Registration Sign In

**Sign In**

E-mail \*

Password \*

Sign In [Forgot Password](#)

- ✓ Navigate to **'My Claims'** dashboard.

User Profile

My Claims Dashboard

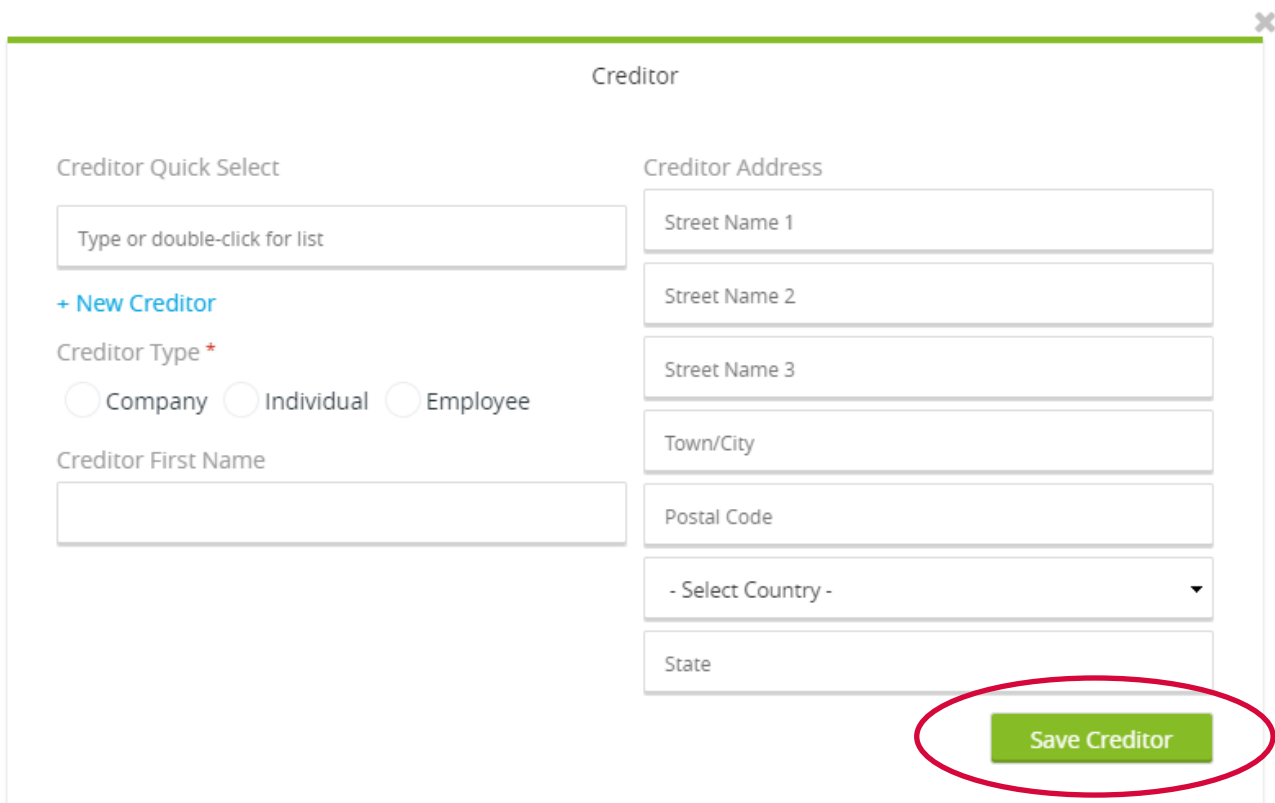
- ✓ Click **'Add Claim'**

Search Claim, Creditor

Grant Access Add Claim

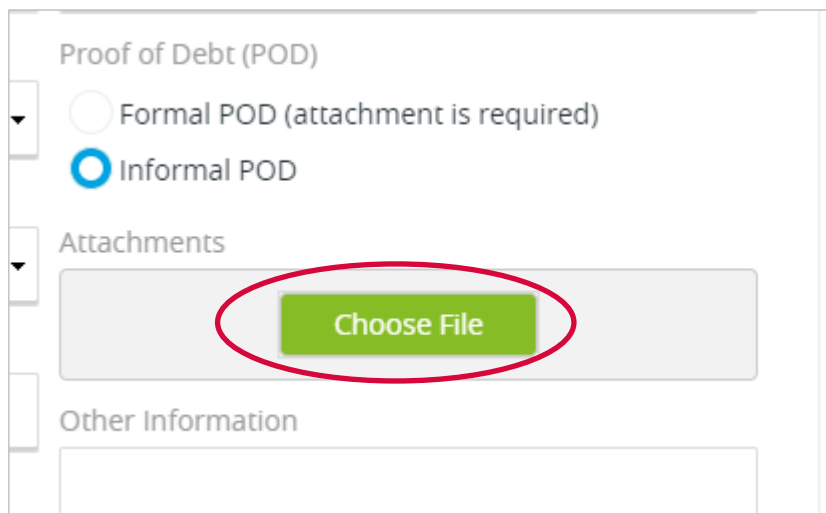


- ✓ Fill out the form with the relevant creditor information and click **'Save Creditor'**.



The screenshot shows a 'Creditor' form with two main sections: 'Creditor Quick Select' and 'Creditor Address'. The 'Creditor Quick Select' section includes a text input field with the placeholder 'Type or double-click for list', a '+ New Creditor' link, and radio buttons for 'Creditor Type' with options 'Company', 'Individual', and 'Employee'. Below this is a 'Creditor First Name' input field. The 'Creditor Address' section contains several input fields: 'Street Name 1', 'Street Name 2', 'Street Name 3', 'Town/City', 'Postal Code', a dropdown menu for '- Select Country -', and a 'State' input field. A green 'Save Creditor' button is located at the bottom right of the form and is circled in red.

- ✓ Fill out the claim information and upload any supporting documents by selecting **'Choose File'**.



The screenshot shows a 'Proof of Debt (POD)' form. It has a dropdown menu on the left with a downward arrow. The main section has two radio buttons: 'Formal POD (attachment is required)' and 'Informal POD', with 'Informal POD' selected. Below this is an 'Attachments' section with a dropdown menu and a large grey button labeled 'Choose File', which is circled in red. At the bottom is an 'Other Information' section with a text input field.

- ✓ Once your claim is completed, select **'Save'**.
- ✓ Your claim will now appear on your **'My Claims'** dashboard. Each claim is assigned with a unique claim identification number (**Claim ID**) which is visible on your 'My Claims' dashboard next to the relevant claim.

## FAQs on adding a claim

### I need to submit multiple claims. How do I enter these claims?

A separate proof of debt (claim) will need to be registered with the Administrators for each claim against a different company. As such, the online '**Add Claim**' submission form will need to be completed for each claim.

Once a creditor's details have been entered, this creditor will be pre-populated in the claim submission form, so the details do not have to be re-entered when entering multiple claims for the same creditor.

For faster entry of multiple claims by the same creditor, you can click '**Save and New**' to skip selecting the creditor and can quickly enter details of the each of the separate claims for that creditor.

### How do I grant others access to my claims?

In the '**My Claims**' dashboard page, select the claims that you would like to grant access to and select the 'Grant Access' button. Provide the email and details of the user that you would like to grant access to and click 'Save'. If the user you are granting access to has not previously accessed the Halo platform, they will need to register a password via one-time pin to access your claim information.

Please note that granting others access to your claims includes giving the invited user the ability to:

- Access claim information and details
- Communicate with the Administrators in relation to the claim via the 'Communications' tab on each claim
- Receive notices related to the claim and to modify, edit or delete the claim
- Add, modify or delete documents attached to the claim
- Add access for other users to the claim
- Nominate a proxy or vote at the creditors' meeting in relation to the claims

### How will I know my claim has been received?

When you have completed the online '**Add Claim**' form in Halo and clicked '**Save**' a '**Claim Saved**' confirmation message will appear. Your submitted claims will then appear when you sign in via <https://aurestructuring.deloitte-halo.com/service/website/Redflow?Pg=account>. '**My Claims**' dashboard will list your submitted claims.

### I have claims for a number of creditors under my control (e.g. companies in a group). How do I enter these claims?

Details for each creditor will need to be provided in the '**Add Claim**' submission form. Then separate claims will need to be registered for each creditor against the appropriate Group company.

Once a creditor's details have been entered, this creditor will be pre-populated in the claim submission form so the details for that creditor will not have to be re-entered when entering multiple claims for the same creditor.

### How do I submit supporting documentation for my claim(s)?

If you have previously registered via the platform and have registered your claim, please sign in to <https://aurestructuring.deloitte-halo.com/service/website/Redflow?Pg=account>, select the Claim ID of the claim that you would like to submit documentation for and navigate to the '**Communications**' tab. Attach the relevant files such as statements, invoices or contracts and click '**Submit**' to send these documents to the Administrators.

Once uploaded, a blue document indicator will appear next to this claim in the **'My Claims'** dashboard. The uploaded documents will be accessible on the claim details page for that claim when you select the Claim ID of the claim from the **'My Claims'** dashboard.



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Annexure E - COI Nomination Form

Redflow Limited ACN 130 227 271  
and certain entities listed in Schedule A (the Companies)  
(All Administrators Appointed)

Insolvency Practice Schedule (Corporations) s80-15

### NOMINATION FOR PROPOSED COMMITTEE OF INSPECTION

At the meeting of creditors to be held on Wednesday, 4 September 2024, a resolution will be proposed to determine whether to form a committee of inspection (**COI**) for each of the Companies. Should the creditors decide in favour, a COI will be duly formed. In this regard, we are seeking nominations from creditors for each of the Companies to be appointed to the relevant COI. If you would like to nominate yourself/your company to be appointed to the COI, please complete the details below and return this form no later than **4:00PM (AEST) Tuesday, 3 September 2024**.

#### Duties and obligations of committee members:

Please read the attached information sheet prepared by the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) which we would normally send after a creditor has been appointed, however, in this case, we are sending it prior to your nomination as it provides important information about the role and powers of a COI.

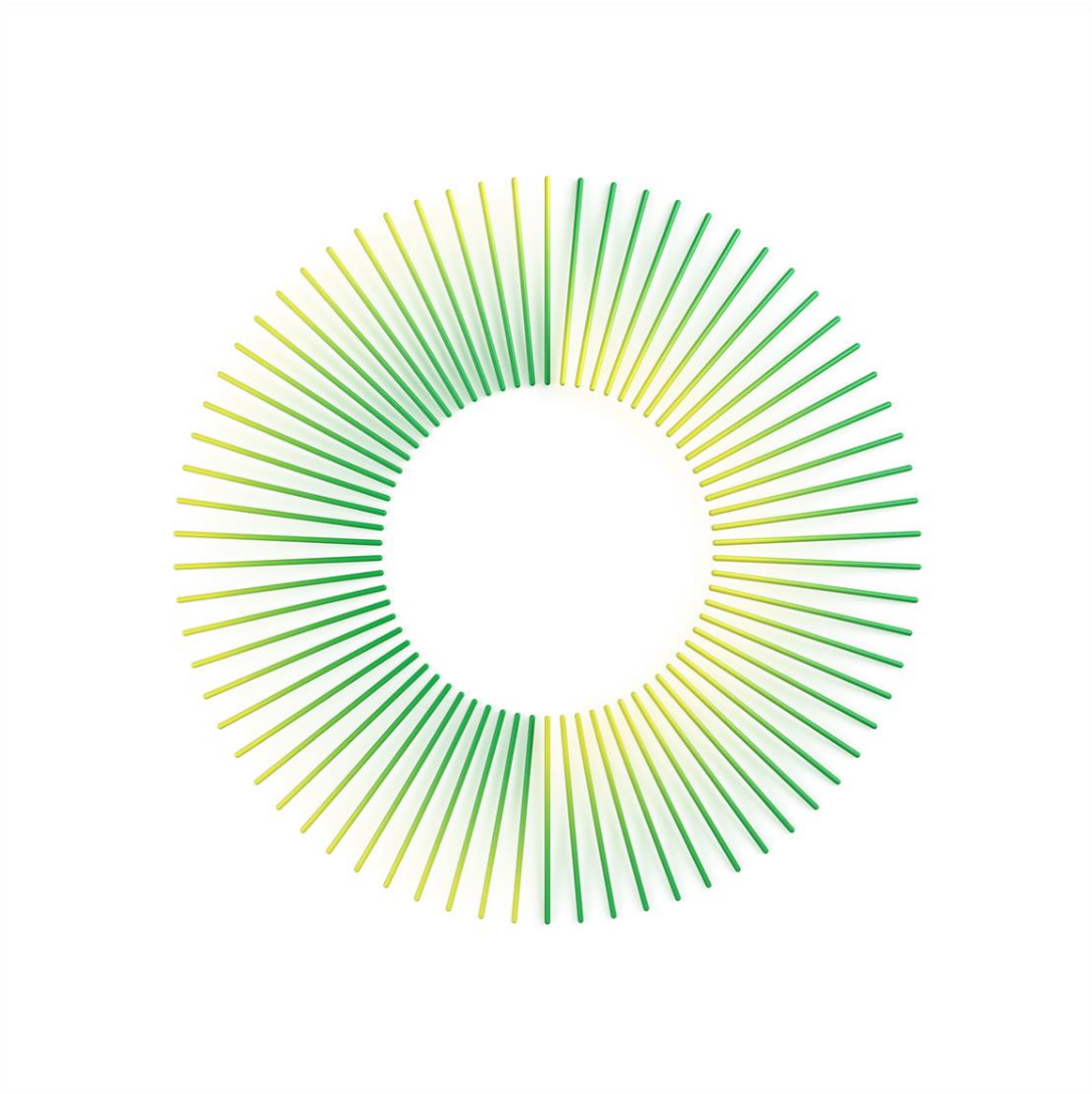
☐

I am a creditor of the Company specified at "Debtor company" from Schedule A in the amount of \$\_\_\_\_\_ and have duly lodged a claim in the administration. I have read the information provided and understand my duties and obligations should I be appointed to the proposed committee

Name of creditor:	
Creditor address:	
Contact name:	
Position:	
Email Address:	
Contact number:	
Debtor company:	

Return to: [Redflow@deloitte.com.au](mailto:Redflow@deloitte.com.au)

Annexure F - Halo - Proxy Nomination & Voting Guide



Halo Guide  
(Proxy Nomination & Voting)



# i Overview

The Voluntary Administrators of Redflow Limited (ACN 130 227 271), Redflow International Pty Ltd (ACN 128 888 997), Redflow R&D Pty Ltd (ACN 116 992 253) and Zcell Australia Pty Ltd (ACN 613 792 420) will be using Deloitte's Halo platform as the primary tool for communicating with creditors and managing claims (known as proofs of debt).

The Voluntary Administrators have prepared this guide to assist you as a creditor or potential creditor to understand the steps that must occur to ensure you are appropriately registered and have lodged your claim in Halo. The next three pages set out an overview of these steps. Refer to the later sections of this guide for further details of the specific actions, screens in Halo and FAQs for each of these steps.

These are the key dates in relation to voting in Halo:

- Deadline for registering and submitting a claim in Halo
- Deadline for submitting proxy
- Meeting of creditors held
- Voting closes

**Tuesday, 3 September 2024, 4:00pm (AEST)**

**Tuesday, 3 September 2024, 4:00pm (AEST)**

**Wednesday, 4 September 2024, 10:00am (AEST)**

**Live during the meeting of creditors**

## 1 Register in Halo

You'll need an email address and basic contact information to register at this page:

<https://aurestructuring.deloitte-halo.com/service/website/Redflow>

The image shows two screenshots from the Halo platform. The left screenshot is the 'Registration' page, which includes a 'Sign In' link, a 'Registration' section with an 'E-mail' field, and a checkbox for authorizing the External Administrators. The right screenshot is the 'Claim' page, showing fields for 'Debtor Entity' (Redflow Australia Pty Ltd), 'Currency' (AUD), 'Claim Amount (including GST)', 'ACN' (095 983 681), 'Claim Category' (Unsecured), 'Claim Type' (Trade Supplier), 'Consideration for debt' (I am owed money), and a 'Proof of Debt (POD)' section with a 'Choose File' button.

## 2 Add a claim

Adding a claim in Halo requires basic details of your claim, including:

- the company that owes you money;
- the claim type (e.g. financier, employee, subcontractor, trade supplier); and
- a description of the amount you are owed.

You can also upload additional documentation to support your claim for consideration by the Voluntary Administrators (e.g. copy of invoice). **Please only lodge 1 claim against the Company which you are a creditor of and attach all invoices to that claim.**

## 3 Be admitted for voting

Based on the nature of your claim, the Voluntary Administrators will evaluate your claim for admission for voting. This may include reviewing the details of your claim submitted, assessing supporting documentation submitted (if any) and asking you further questions about your claim (if necessary).

You will be notified by email when you have been admitted for voting. Otherwise you can check your admission status in the Halo system in the 'My Claims' dashboard in Halo at any time.

## 4 Appoint a proxy (required for organisational creditors, optional for individuals)

Once your claim has been admitted for voting, you can appoint a proxy. If you are not sure whether or not you need to appoint a proxy, refer to the FAQs at Section 4 of this guide.

You will need to have your proxy nomination completed by **Tuesday, 3 September 2024, 4:00pm (AEST)**.

When appointing a proxy, you are appointing either (1) the Chairperson, (2) yourself or (3) someone else to vote on behalf of the creditor. If selecting someone else to represent you, you will need their email address so they can be registered in the Halo system. Selecting the **proxy option** is the first step of appointing a proxy.

You will also need to decide the **type of proxy** you are appointing. This is either (a) General Proxy or (b) Special Proxy. Refer to FAQs at Section 4 of this guide for further information on Proxy types.

The screenshot shows the 'Nominate Proxy' form. At the top, there are two radio buttons for 'Nominate Proxy': 'Chairperson' and 'Self' (which is selected). Below this, there are two radio buttons for 'Type of Proxy': 'General Proxy' and 'Special Proxy' (which is selected). The 'Resolutions' section contains two resolution groups, each with a text area for the resolution and three buttons for voting: 'For' (green), 'Against' (red), and 'Abstain' (grey). At the bottom, there are 'Back' and 'Submit' buttons.

To appoint a proxy, click 'Vote or Select Proxy' on your dashboard. If you are an organisation, the Proxy page will be displayed. If you are an individual, you will need to click the 'Nominate Proxy (Optional)' button. Here you will select the **proxy option** and the **type of proxy**. If selecting a Special proxy (displayed above), you will submit your vote (Step 5) with the nomination of your proxy and click 'Submit' to appoint your Proxy.

## 5 Cast your vote

If your claim has been admitted for voting, you can log into Halo and click '**Select Proxy or Vote**' on your 'My Claims' dashboard at this time. Once the voting event has started in Halo, there will be a yellow banner on your 'My Claims' dashboard which will say '**Select Proxy or Vote**'.

To vote, select the tick box for the creditor you are voting for, and click the '**Select Vote**' button. Choose your answer to the displayed resolution(s) and click '**Submit**'.

**Voting will close on the live during the meeting of creditors.**

The screenshot shows the 'Resolutions' form. At the top right, there is a green button labeled 'Nominate Proxy (Optional)'. The 'Resolutions' section contains two resolution groups, each with a text area for the resolution and three buttons for voting: 'For' (green), 'Against' (red), and 'Abstain' (grey). At the bottom, there are 'Back' and 'Submit' buttons.

If you have been assigned a General proxy vote, the Vote will appear on your '**My Proxy**' Dashboard and will need to be actioned in order to vote. Please follow the above steps except click 'Start Voting' on your 'My Proxy dashboard' instead of 'My Claims dashboard'.

When votes are successfully submitted, the voting status is now displayed as **‘Voted’**, the appointment of a general proxy is displayed as **‘Proxy Selected’**, and the appointment of a special proxy is displayed as **‘Proxy Voted’**. Once the general Proxy has exercised their vote, the voting status will change to **‘Proxy Voted’**

<input type="checkbox"/>	VI213594C	Creditor 8	Entity A	Unsecured Customer	AUD 150,000.00	Admitted for [150,000.00]	VOTED
<input type="checkbox"/>	VI213596C	Creditor 10	Entity A	Unsecured Other	AUD 150,000.00	Admitted for [150,000.00]	PROXY VOTED
<input type="checkbox"/>	VI128018C	Creditor 10	Entity B	Unsecured Other	AUD 4,577.75	Admitted for [4,577.75]	PROXY SELECTED

**Note:**

This guide will only focus on how to nominate a proxy and cast your vote in the Halo platform.

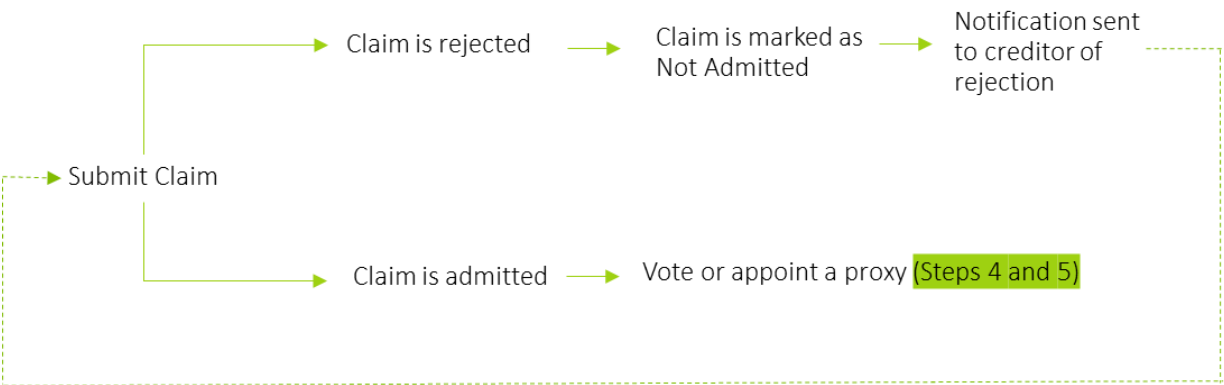
If you are looking for detailed guidance on registering as a user or lodging your claim, please refer to the Registration and Claim Lodgement Guide here: <https://aurestructuring.deloitte-halo.com/service/website/Redflow?Pg=4>

If you encounter any issues with the Halo platform, please contact our team at [Redflow@deloitte.com.au](mailto:Redflow@deloitte.com.au).

# 3 Be admitted for voting

Based on the nature of your claim, the Voluntary Administrators will evaluate your claim for admission for voting. This will include reviewing the details of your claim submitted, assessing supporting documentation submitted (if any) and asking you further questions about your claim (if necessary).

## Admission Process



**Note – you are able to submit your vote even if the Administrators have not yet admitted your claim.**

You will be notified by email when the Voluntary Administrators have evaluated your submitted claim(s) and the admitted status of your submitted claims has changed. Otherwise, you can check your admission status in the Halo system in the 'My Claims' dashboard at any time.

## Admissions Statuses

Claims are presented in Halo with three admission statuses (labelled 1 to 3 in the image and described on next page):

<input type="checkbox"/>	VI213587C	Creditor 1	Number 1 Pty Ltd	Unsecured Trade Supplier	AUD 200,000.00	Submitted	1
<input type="checkbox"/>	VI213587C	Creditor 2	Number 1 Pty Ltd	Unsecured Trade Supplier	AUD 200,000.00	Admitted for [200,000.00]	2
<input type="checkbox"/>	VI213587C	Creditor 2	Number 2 Pty Ltd	Unsecured Trade Supplier	AUD 200,000.00	Not Admitted	3

1. **Submitted:** This status indicates that your claim has been registered in Halo and is under review for admission by the Voluntary Administrators. The Administrators may contact you via the Halo communication functions to ask you further details about your claim (if necessary) or request further supporting documentation in relation to your claims (if necessary).
2. **Admitted:** This status indicates that your claim has been reviewed and admitted for voting. The amount for which the claim has been admitted for voting will be displayed. Once admitted, the details of your claim (e.g. amount) cannot be changed until after the voting event.
3. **Not admitted:** The Voluntary Administrators may reject (not admit) your claim for voting purposes for a number of reasons including but not limited to the following:
  - The amount you have claimed is higher than the amount recorded as owing to you in the books and records of the Group and you have provided insufficient evidence to support your claim.
  - Where your claim includes amounts, which have been incurred post appointment and you have not provided sufficient supporting documentation to support this portion of your claim such as a contract with relevant terms. In such circumstances, the Voluntary Administrators may only admit your claim for the portion which relates to the period prior to the date of appointment until further supporting documentation is provided.
  - Your claim does not match the supporting evidence provided.
  - Your claim is not owed by any of the companies in the Group.
  - Your claim is a duplicate of another claim received by the Voluntary Administrators.
  - Your claim has been submitted after the claim submission deadline of **Tuesday, 3 September 2024, 4:00pm (AEST)**.

Once the status of your claim has been changed to Not Admitted, you will not be able to change the details of your claim (e.g. amount).

However, you can continue to communicate with the Voluntary Administrators to understand the reasons for your claim not being admitted and, if time allows prior to the claim submission deadline, resubmit your claim or provide further information or documentation which may allow your claim to be admitted.

## 4 Appoint a proxy

Prior to voting you can appoint a proxy. A proxy is a document containing instructions to the Voluntary Administrators on who you want to represent you.

You aren't required to appoint a proxy unless the creditor you are representing is a company or organisation:

- A company needs to appoint a proxy as they need to appoint someone to vote on behalf of the company.
- If you are an individual and you want to give someone else your right to vote (e.g. a union representative or chairperson), you can appoint a proxy but it is not required in order for you to vote.

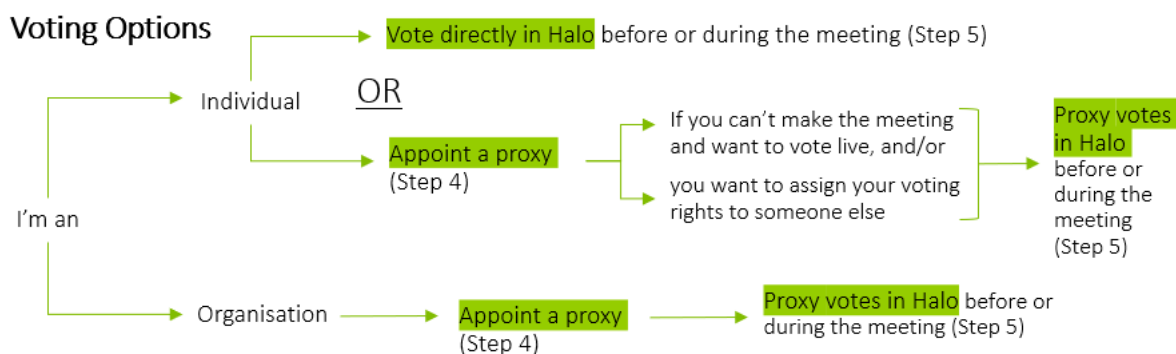
The following sets out the process for submitting a proxy, types of proxies (including some types of proxies which include your voting instructions) and how.

**The deadline for submitting a proxy nomination in Halo is Tuesday, 3 September 2024, 4:00pm (AEST)**

**If you do not need to appoint a proxy (for example you are an employee or individual), you can skip to instruction at Step 5 to cast your vote.**

**Creditors will be notified when proxy forms become available to them in Halo.**

Once you have been admitted, there will be different pathways for you to nominate your proxy (if required) and lodge your vote in Halo:



When appointing a proxy, you will need to consider both the type of proxy you are nominating and your options as to who you can select as your proxy:

### Type of proxy

There are two kinds of proxies available, a general proxy and a special proxy:

- **General proxy** - allows the person holding the proxy to vote as they wish on a resolution and therefore you won't need to specify the answers to the resolutions. In Halo, nomination of a general proxy practically means that the voting for that creditor will be transferred or attached to the user account of the general proxy. As such, those who are appointed general proxies will need to vote as outlined in Step 5.
- **Special proxy** - directs the proxy holder to vote in a particular way. If appointing a special proxy, you will need to select and submit your vote with the proxy nomination.

## Proxy options (who)

In terms of your options on who to select as your proxy, Halo has three options (1) the Chairperson, (2) yourself or (3) someone else to vote on behalf of the creditor:

1. **The Chairperson** – if you would like to assign the Chairperson your vote, you are able to do this by selecting 'Chairperson' as your proxy option. The Chairperson will be one of the Voluntary Administrators. Part of their role is deciding whether to accept your claim for voting purposes, estimate the value of your claim (if required) and, if necessary, exercise their casting vote.
2. **Yourself** – if the creditor is a company and you are a duly authorised officer of the company (e.g. a director) you can appoint yourself as the proxy. If the 'Yourself' option is chosen, the details and email with which you signed up with Halo will be used.
3. **Someone else** - if you would like to appoint someone else as the proxy, you can enter the email of the person you would like to appoint in the field which appears when you click 'Other' as the proxy type. If you are selecting someone else to represent you, you will need their email address so they can be registered in the Halo system:
  - If that person is already registered on Halo, their registered Halo details will appear.
  - If they are not registered in Halo, an email invitation will be sent to them to register.

Please note that proxies are nominated at the creditor level. If there are multiple claims that have been registered in Halo under one creditor name, the proxy nominated will be applied to all of those claims.

If you have made an error in the nomination of your proxy, please contact the team at SWAdmin1@deloitte.com.au so they can assist you in resetting your proxy nomination. Once reset, you can re-nominate your proxy.

## Appoint a proxy – the process

- ✓ To appoint a proxy, click 'Vote or Select Proxy' on your 'My Claims' dashboard.

The screenshot shows the 'My Claims Dashboard' with a sidebar on the left containing 'User Profile', 'My Meeting Dashboard', and 'My Claims Dashboard'. The main content area has a yellow banner with instructions: 'You must submit a claim to vote at the first meeting of creditors.', 'Voting will close live during the first meeting of creditors.', 'You will be notified by email when voting has opened in the Halo platform.', and 'Click [here](#) for an overview of voting process.' A button labeled 'Vote or Select Proxy' is circled in red. Below the banner is a search bar 'Search Claim, Creditor' and two buttons 'Grant Access' and 'Add Claim'. A table shows 2 records:

CLAIM ID	CREDITOR	DEBTOR ENTITY	CATEGORY TYPE	AMOUNT (EXCL GST)	STATUS	VOTING STATUS
AD119045C	Test	Test Pty Ltd	Unsecured Trade Supplier	AUD 100,000.00	AUD110,000.00 admitted for voting	NOT VOTED
AD119128C	Test	Test Pty Ltd	Secured Financier	AUD 100,000.00	AUD110,000.00 admitted for voting	NOT VOTED

- ✓ If you have multiple creditors who have claims in different companies, you will need to cast a vote / appoint a proxy per company. Please select the companies to appoint a proxy for first.

Voting Event

You are currently logged in [Click here to log out](#)

[Dashboard](#) > Resolution Group

Below are the entity(s) that are applicable to your claims.

Select an entry to continue with voting.

If you have claims with more than one entity below, you will need to return to this screen to vote each individually.

Australia Pty Ltd

- ✓ Select the relevant creditor(s) to Nominate a proxy for and click 'Continue'.

Voting Event

You are currently logged in [Click here to log out](#)

[Dashboard](#) > Resolution Group > Creditor(s)

Entity  
Australia Pty Ltd

For further details, please click [here](#) for voting instructions.

Below are the creditor(s) that are relevant for voting on the selected entity resolutions.

To continue, select the creditors you wish to vote for and select "Continue".

You can vote one or all of your relevant claims for this resolution at once.

The amount presented as the admitted amount is the total of all claims that have been admitted for each creditor.

1.

<input type="checkbox"/>	CREDITOR	CREDITOR TYPE	ADMITTED AMOUNT	ENTITIES	VOTING STATUS
<input type="checkbox"/>	Test Test	Organisation	110,000.00	Australia Pty Ltd	<input type="button" value="NOT VOTED"/>
<input type="checkbox"/>	Test Test	Organisation	110,000.00	Australia Pty Ltd	<input type="button" value="NOT VOTED"/>

2 records

2.



- ✓ If you are an individual, click ‘Nominate Proxy (Optional)’ to be redirected to the ‘Assign Proxy’ page. If you are representing an organisation you will automatically be on the ‘Assign Proxy’ page.

Resolutions	Nominate Proxy (Optional)
-------------	---------------------------

You will then be directed to the following screen:

Voting Event

You are currently logged in [Click here to log out](#)

Dashboard > Resolution Group > Creditor(s) > Vote/Proxy

Entity	Selected Creditors
Australia Pty Ltd	Test Test

Example Resolutions:

Resolution 1 – That the meeting be held concurrently

It is proposed that the meetings of the Group be held concurrently for convenience and efficiency as otherwise separate meetings would be required. As a consequence of the corporate structure, there are common interests between some creditors which support holding these meetings concurrently.

Resolution 2- That a Committee of Inspection be appointed

At the first meeting, creditors will consider whether a Committee of Inspection (COI) should be appointed for each of the Companies. The role of the COI is to consult with the Administrators about matters relevant to the administration and receive and consider reports from the Administrator. It may also approve the Administrators' fees. At times, the Administrator may call upon a COI for assistance. **It is a voluntary role and the COI are not remunerated for their time.**

All creditors that have a just estimate of their claim, as well as employees, are entitled to stand for COI membership to represent the interests of all creditors. However, to operate efficiently, the COI should not be too large. Further information regarding the COI is provided in the [ARITA Information Sheet: Committees of Inspection](#).

A 'proxy' is where a creditor authorises someone else to represent them at a Creditors' meeting and vote on their behalf. Refer to voting guide for more information on the role of proxies and proxy types.

Nominating a proxy is mandatory for creditors that are organisations and optional for creditors that are individuals.

There are two kinds of proxies, a General proxy and a Special proxy. A general proxy allows the person holding the proxy to vote how they want on a resolution, whereas a special proxy directs the proxy holder to vote in a particular way.

Nominate Proxy

☐ Chairperson

☐ Self

☐ Other proxy (enter email address below)

Type of Proxy

☐ General Proxy

☐ Special Proxy

Resolutions

RESOLUTION #1

"That the first meeting of creditors be held concurrently."

RESOLUTION #2

"That a committee of inspection of the company be formed"

Back

Submit

Example resolutions only – the actual resolutions may differ to those in the above image.

- ✓ Select your 'Proxy Option' of either: 'Chairperson', 'Self', or 'Other proxy'. If you are an individual, the 'Self' option will not be available.

Nominate Proxy

☐ Chairperson
 ☒ Self
 ☐ Other proxy (enter email address below)

- ✓ If selecting 'Other Proxy', please enter the person you are appointing's email in the designated field. If the email is registered in Halo, their details will appear. If they are not registered, they will receive an email notifying them to register as they have been appointed as a Proxy.

- ✓ Select your 'Type of Proxy' of either 'General Proxy' or 'Special Proxy'.

Type of Proxy

☐ General Proxy
 ☒ Special Proxy

- ✓ If selecting 'Special Proxy', choose the answers to the displayed resolution(s).

Nominate Proxy

☐ Chairperson
 ☐ Self
 ☒ Other proxy (enter email address below)

Proxy email address \*

Example.Email@Outlook.com

✓ Proxy is registered.

Proxy Profile

First Name  
 Surname  
 Email  
 Representing an organization?  
 Organisation

Type of Proxy

☐ General Proxy
 ☒ Special Proxy

Resolutions

RESOLUTION #1

ANSWER

For
  Against
  Abstain

RESOLUTION #2

ANSWER

For
  Against
  Abstain

Back

Submit

- ✓ After reviewing, click 'Submit' to finalise your proxy.

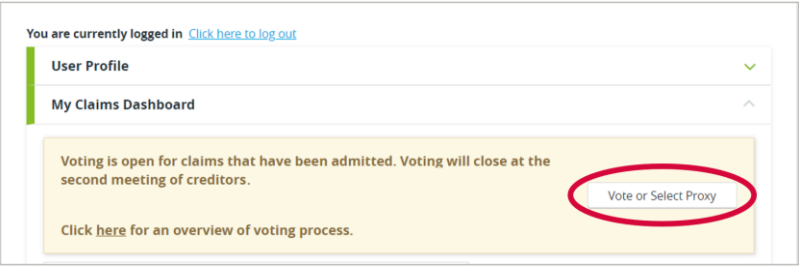
Back

Submit

- ✓ After submitting, the relevant claims on your 'My Claims' dashboard will be displayed as 'Proxy Voted' for a Special Proxy, or 'Proxy Selected' for a General Proxy. After a General Proxy exercises their vote, the status too will change to 'Proxy Voted'.

<input type="checkbox"/>	VI213596C	Creditor 10	Entity A	Unsecured Other	AUD 150,000.00	Admitted for [150,000.00]	PROXY VOTED
<input type="checkbox"/>	VI128018C	Creditor 10	Entity B	Unsecured Other	AUD 4,577.75	Admitted for [4,577.75]	PROXY SELECTED

✓ To **view** your Proxy nomination, click 'Vote or Select proxy' on your 'My Claims Dashboard'



✓ Find the creditor which you want to view the Proxy for and click the 'Proxy Voted' or 'Proxy Selected' box to view your vote. The selected votes will then be displayed.

Creditor 11	Individual	150,000.00	Number 1 Pty Ltd	PROXY VOTED
Creditor 10	Individual	150,000.00	Number 1 Pty Ltd	PROXY SELECTED

## FAQs on appointing a proxy

### What is a proxy?

A proxy is a formal authorisation by a creditor, authorising someone else to represent them and vote on their behalf.

### Do I need a proxy?

You don't need to appoint a proxy unless the creditor you are representing is a company or organisation. A company needs to appoint a proxy as they need to appoint an individual who is an authorised officer to vote on behalf of the company. If you are an individual and you want to give someone else your right to vote (e.g. a union, chairperson), you can appoint a proxy.

### What is the difference between a special proxy and a general proxy?

There are two kinds of proxies, a general proxy and a special proxy. A general proxy allows the person holding the proxy to vote how they wish on a resolution, whereas a special proxy directs the proxy holder to vote in a particular way.

### Can I change my proxy?

If you have made an error, please contact the team at [Redflow@deloitte.com.au](mailto:Redflow@deloitte.com.au) and they will be able to assist you in resetting and then re-selecting your proxy.

### I'm an employee, do I need a proxy?

Employee creditors are individual creditors (i.e. not representing an organisation) so they are not required to nominate a proxy.

However, employees may wish to nominate their union representative, the Chairman, or another person as their special or general proxy.

### What happens if I have not nominated a proxy by the deadline of Tuesday, 3 September 2024, 4:00pm (AEST)?

If you are a creditor that is a company or organisation, unfortunately you will not be able to cast your vote as a proxy is required.

If you are an individual creditor, you will still be able to submit your vote as proxies are not required for individual creditors.

### I have been assigned as a proxy, what do I do?

If you have been assigned as a proxy, you will need to cast the vote as in Step 5 Cast your Vote. If you have been assigned a proxy, the proxy(s) you have been nominated for will be displayed on 'My proxy' dashboard as opposed to 'My Claims' dashboard. If you have been assigned a special proxy, no action is required by you.

## 5 Cast your vote

Once the voting event has started in Halo, there will be a yellow banner on your **'My Claims'** dashboard which will say **'Start Voting'**. If your claim is admitted for voting, you can log into Halo and click **'Start Voting'** on your claims dashboard.

**Creditors will be notified when voting opens.**

### Cast your vote – the process

- ✓ To cast your vote, click **'Vote or Select Proxy'** on your **'My Claims'** dashboard. If you have been appointed as a Proxy and need to cast a vote, you will click **'Vote'** on your **'My Proxy'** dashboard

You are currently logged in [Click here to log out](#)

User Profile

My Claims Dashboard

Voting is open for claims that have been admitted. Voting will close at the second meeting of creditors.

[Click here for an overview of voting process.](#)

[Vote or Select Proxy](#)

- ✓ If you are voting for multiple creditors under multiple entities, select the relevant Resolution Group or single company you would like to vote for first.

Select a voting resolution group

Below are the voting resolution group(s) that are applicable to your claims.

Select a resolution group to continue with voting.

If you have more than one voting group below, you will need to return to this screen to vote each individually.

Australia Pty Ltd

Organisation 1 Pty Ltd

Organisation 2 Pty Ltd

- ✓ Select the creditor(s) you would like to cast a vote for and click **'Continue'**. You can vote all creditors at once for ease.

<input type="checkbox"/>	CREDITOR	CREDITOR TYPE	ADMITTED AMOUNT	ENTITIES	VOTING STATUS
<input type="checkbox"/>	Creditor 3	Organisation	150,000.00	No. 1 Pty Ltd	<a href="#">NOT VOTED</a>
<input checked="" type="checkbox"/>	Creditor 7	Individual	400,000.00	No. 2 Pty Ltd	<a href="#">NOT VOTED</a>

[Back](#) [Continue](#)

- ✓ Choose your answer to the displayed resolution(s) and click **'Submit'**. A warning message will appear explaining that once a vote is submitted, it cannot be changed.

The screenshot shows a 'Resolutions' page with a 'Nominate Proxy (Optional)' button at the top right. Below the header, there is a note: 'Please vote 'For' one resolution below. In voting 'For' a resolution, you will be voting 'Against' the other resolutions proposed in the resolution group. Your vote cannot be submitted if you do not vote 'For' a resolution.' The page lists two resolution groups. For each group, there are three buttons: 'For' (green), 'Against' (red), and 'Abstain' (grey). At the bottom, there are 'Back' and 'Submit' buttons.

- ✓ Voting status will now be **'Voted'** on relevant claims on your **'My Claims'** dashboard.

<input type="checkbox"/>	VI213594C	Creditor 8	Entity A	Unsecured Customer	AUD 150,000.00	Admitted for [150,000.00]	VOTED
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- ✓ To **view** your vote, click **'Vote'** or **Select proxy'** on your **'My Claims Dashboard'**

The screenshot shows the 'My Claims Dashboard' with a message: 'Voting is open for claims that have been admitted. Voting will close at the second meeting of creditors.' Below this message is a button labeled 'Vote or Select Proxy', which is circled in red. There is also a link to 'Click here for an overview of voting process.'

- ✓ Find the creditor which you want to view the vote for and click the **'Voted'** box to view your vote. The selected votes will then be displayed.

Employee 5	Employee	50,000.00	Australia Pty Ltd	VOTED
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- ✓ If you are voting for multiple Resolution Groups, you will need to click **'Vote or Select Proxy'** when returned to the **'My Claims'** dashboard from the first vote. If you have been appointed as a Proxy and need to cast another vote in another Resolution Group, you will click **'Vote'** on your **'My Proxy'** dashboard.

This screenshot is identical to the one above, showing the 'My Claims Dashboard' with the 'Vote or Select Proxy' button circled in red.

- ✓ Select the next relevant Resolution Group or single company you would like to vote for, then select creditors and resolution voting as per first Resolution Group above.



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Annexure G - Initial Remuneration Notice



## Initial Remuneration Notice

Redflow Limited ACN 130 227 271  
and certain entities listed in Schedule A (the Companies)  
(All Administrators Appointed)  
(collectively “the Companies”)

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

### 1 Remuneration methods

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

- a. **Time based / hourly rates:** This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.
- b. **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.
- c. **Percentage:** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
- d. **Contingency:** The practitioner’s fee is structured to be contingent on a particular outcome being achieved.

### 2 Method chosen

Given the nature of these Administrations, we propose that our remuneration be calculated on time based/hourly rates basis. This is because:

- It ensures that creditors are only charged for work that is performed
- We are required to perform a number of tasks which do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to ASIC, distributing funds in accordance with the provisions of the Corporations Act
- We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the administration
- We have a time recording system that can produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the administration
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed
- The method provides full accountability in the method of calculation.

### 3 Explanation of hourly rates

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

Title	Description	Hourly Rate (Excl GST)
Appointee/Partner	Registered liquidator. Brings his or her specialist skills to the administration or insolvency task.	\$850.00
Principal/ Consultant (Non Appointee)	Typically CA or CPA qualified with in excess of 10 years' experience on insolvency matters with a number of years at manager level. Answerable to the appointee but otherwise responsible for all aspects of an administration. Capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in his/her own right.	\$825.00
Director	Typically CA or CPA qualified with in excess of 7 years' experience on insolvency matters with a number of years at manager level. Answerable to the appointee but otherwise responsible for all aspects of an administration. Capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in his/her own right.	\$780.00
Associate Director/ Senior Manager	Typically CA or CPA qualified with in excess of 5 years' experience on insolvency matters with a number of years at manager level. Answerable to the appointee and responsible for material aspects of an administration. Experienced in and capable of controlling most aspects of an administration.	\$680.00
Manager	Typically CA or CPA qualified with 5 to 8 years' experience working on insolvency matters. Will have experience conducting administrations and directing a number of staff.	\$630.00
Senior Analyst	Typically completed or near completion of CA or CPA qualifications with 3 to 6 years insolvency experience. Assists in planning and control of smaller matters as well as performing some more difficult tasks on larger matters.	\$520.00
Analyst	Typically studying towards CA or CPA qualification with 1 to 4 years insolvency experience. Works under supervision of more senior staff in performing day-to-day fieldwork.	\$460.00
Graduate	Junior staff member who has completed a university degree with less than one year's experience working on insolvency matters. Works under supervision of more senior staff in performing day-to-day fieldwork. This may include staff located in other offices of Deloitte overseas. These staff work under the supervision of Australian staff with insolvency experience.	\$350.00
Secretary	Advanced secretarial skills	\$315.00
Other Clerical	Support secretarial and administrative skills	\$315.00

Title	Description	Hourly Rate (Excl GST)
Other Junior	Junior staff member who has not yet completed a university degree with less than one year's experience working on insolvency matters. Works under supervision of more senior staff in performing day-to-day fieldwork.	\$250.00

#### 4 Estimated remuneration

We estimate that these administrations will cost approximately \$700,000 (excl GST, legal fees, and disbursements) to complete, subject to the following variables which may have a significant effect on this estimate and that we are unable to determine until we are unable to determine at this early stage in the administration:

- Nature and extent of the work involved in the sale and/or recapitalisation of the Companies operations
- The timing and nature of a sale or recapitalisation of the business, including whether a Deed of Company Arrangement will be required and our level of involvement in same.
- Matters that may arise from our investigation into the Companies' affairs

#### 5 Disbursements

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees.
- **Firm non-professional costs** – such as photocopying, printing and postage. These costs, if charged to the administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of a disbursement where we or a related entity of ourselves, may directly or indirectly obtain a profit. In these circumstances, creditors will be asked to approve our disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this liquidation are set out in the table below.

Disbursement type	Rate (Excl GST)
External professional services	At cost
External non-professional services	
Advertising (other than ASIC public notices)	At cost
Photocopying, printing & postage (externally provided)	At cost
Search fees	At cost
Firm non-professional costs:	

Disbursement type	Rate (Excl GST)
Administration fee*	\$600 fixed fee
Travel – flights, accommodation, meals	Per diem at \$70.00 per staff member per day, otherwise all travel and accommodation at cost
Tolls, taxis, parking, public transport and mileage	Mileage at \$0.85/km, otherwise at cost

Scale applicable for financial year ending 30 June 2025.

\* This fee contributes towards costs incurred by my firm in the administration of the engagement. Such costs include, amongst other things, variable levies incurred when certain notices are lodged with ASIC or advertised on the ASIC public notice website pursuant to The ASIC Supervisory Cost Recovery Levy Act 2017, the licensing and use of insolvency software to assist with the creation, preparation and maintenance of proper administration records, telephone calls and internal photocopying and printing. Based upon internal analysis of average costs incurred, \$600 is, in our opinion a reasonable commercial claim.

Dated 27 August 2024

Yours faithfully



**David Orr**  
Joint and Several Administrator

Encl.

Annexure H - ASIC Information Sheet – Voluntary Administration: A guide for creditors



## Voluntary administration: A guide for creditors

If a company is in financial difficulty, it can be put into voluntary administration.

This information sheet (INFO 74) provides general information for unsecured creditors of companies in voluntary administration. It covers:

- [who is a creditor](#)
- [the purpose of voluntary administration](#)
- [the voluntary administrator's role](#)
- [effect of appointment](#)
- [voluntary administrator's liability](#)
- [creditors' meetings](#)
- [voting at a creditors' meeting](#)
- [company returned to directors](#)
- [liquidation](#)
- [deed of company arrangement](#)
- [approval of administrator's fees](#)
- [proposals to creditors without a meeting](#)
- [committee of inspection](#)
- [directors and voluntary administration](#)
- [other creditor rights](#)
- [queries and complaints](#)

### Who is a creditor?

You are a creditor of a company if the company owes you money. Usually, a creditor is owed money because they have provided goods or services, or made loans to the company.

A retail customer of a company in voluntary administration may also be a creditor if they have partly or fully paid for goods or services that they have not received.

An employee owed money for unpaid wages and other entitlements is a creditor.

A person who may be owed money by the company if a certain event occurs (e.g. if they succeed in a legal claim against the company) is also a creditor, and is sometimes referred to as a 'contingent' creditor.

There are generally two categories of creditor - secured and unsecured:

- A secured creditor is someone who holds a security interest, such as a mortgage, in some or all of the company's assets, to secure a debt owed by the company. Lenders usually require a security interest in company assets when they provide a loan. Security interests over personal property other than land are registered on the Personal Property Securities Register (PPSR) if the creditor wants to ensure their security interest is enforceable and accorded priority in an insolvency. You can search the PPSR to find out if anyone holds a security interest (other than a mortgage over land) in the company's assets.

- An unsecured creditor is a creditor who does not hold a security interest in the company's assets.

Employees are a special class of unsecured creditors. Their outstanding entitlements are usually paid in priority to the claims of other unsecured creditors. If you are an employee, see [Information Sheet 75](#) *Voluntary administration: A guide for employees* (INFO 75).

All references in this information sheet to 'creditors' relate to unsecured creditors unless otherwise stated.

## The purpose of voluntary administration

Voluntary administration is designed to resolve a company's future direction quickly (the below table summarises the process). An independent and suitably qualified person (the voluntary administrator) takes full control of the company to try to work out a way to save either the company or its business.

If it isn't possible to save the company or its business, the aim is to administer the affairs of the company in a way that results in a better return to creditors than they would have received if the company had instead been placed straight into liquidation. A mechanism for achieving these aims is a deed of company arrangement.

A voluntary administrator is usually appointed by a company's directors, after they decide that the company is insolvent or likely to become insolvent. Less commonly, a voluntary administrator may be appointed by a liquidator, provisional liquidator, or a secured creditor.

### The voluntary administration process

Step	What happens
Appointment of voluntary administrator	<p>A decision to appoint a voluntary administrator for a company can be made by:</p> <ul style="list-style-type: none"> <li>• the directors (by resolution of the board and in writing)</li> <li>• a secured creditor (with a security interest in all or substantially all of the company's property), or</li> <li>• a liquidator (or provisional liquidator).</li> </ul> <p>Voluntary administration begins on the appointment of the voluntary administrator.</p>
First meeting of creditors	<p>The voluntary administrator must hold the first meeting of creditors within eight business days of being appointed, unless the court allows an extension of time.</p> <p>At least five business days notice of the meeting must be given to creditors.</p> <p>Creditors can vote at this meeting to:</p> <ul style="list-style-type: none"> <li>• replace the administrator, and/or</li> <li>• create a committee of inspection.</li> </ul>
Voluntary administrator's investigation and report	<p>The voluntary administrator must investigate the company's affairs and report to creditors on alternatives.</p>

Step	What happens
Second meeting of creditors – meeting to decide company's future	<p>The voluntary administrator must hold the meeting to decide the company's future within 25 business days of being appointed (or 30 business days if the appointment is around Christmas or Easter), unless the court allows an extension of time.</p> <p>At least five business days notice of the meeting must be given to creditors.</p> <p>Creditors can decide at this meeting to:</p> <ul style="list-style-type: none"> <li>• return the company to the control of the directors</li> <li>• accept a deed of company arrangement (the deed must be signed by the company within 15 business days following the meeting, unless the court allows an extension of time), or</li> <li>• put the company into liquidation (this happens immediately, and the administrator becomes the liquidator).</li> </ul>

A company in voluntary administration may also be in receivership: see [Information Sheet 54 Receivership: A guide for creditors](#) (INFO 54).

## The voluntary administrator's role

After taking control of the company, the voluntary administrator investigates and reports to creditors on the company's business, property, affairs and financial circumstances, and on the three options available to creditors. These are:

- end the voluntary administration and return the company to the directors' control
- approve a deed of company arrangement through which the company will pay all or part of its debts and then be free of those debts
- wind up the company and appoint a liquidator.

The voluntary administrator must give an opinion on each option and recommend which option is in the best interests of creditors.

In doing so, the voluntary administrator tries to work out the best solution to the company's problems, assesses any proposals put forward by others for the company's future, and compares the possible outcomes of the proposals with the likely outcome in a liquidation.

A creditors' meeting is usually held about five weeks after the company goes into voluntary administration to decide on the best option for the company's future. In complex administrations, this meeting may be held later if the court consents.

The voluntary administrator has all the powers of the company and its directors. This includes the power to sell or close down the company's business or sell individual assets in the lead up to the creditors' decision on the company's future.

Another responsibility of the voluntary administrator is to report to ASIC on possible offences by people involved with the company.

At the end of their administration, the voluntary administrator must lodge a detailed account of receipts and payments (known as the 'end of administration return'). A copy of this account of receipts and payments may be obtained by searching the [ASIC registers](#) and paying the relevant fee.

Although the voluntary administrator may be appointed by the directors, they must act fairly and impartially.

## Effect of appointment

The effect of the appointment of a voluntary administrator is to provide the company with breathing space while the company's future is resolved. While the company is in voluntary administration:



- unsecured creditors can't begin, continue or enforce their claims against the company without the administrator's consent or the court's permission
- owners of property (other than perishable property) used or occupied by the company, or people who lease such property to the company, can't recover their property
- except in limited circumstances, secured creditors can't enforce their security interest in the company's assets
- a court application to put the company in liquidation can't be commenced
- a creditor holding a personal guarantee from the company's director or other person can't act under the personal guarantee without the court's consent.

## Voluntary administrator's liability

Any debts that arise from the voluntary administrator purchasing goods or services, or hiring, leasing, using or occupying property, are paid from the available assets of the company as costs of the voluntary administration. If there are insufficient funds available from asset sales to pay these costs, the voluntary administrator is personally liable for the shortfall. To have the benefit of this debt protection as a provider of goods or services to a company in voluntary administration, you should ensure you receive a purchase order authorised in the manner advised by the voluntary administrator.

The voluntary administrator must also decide whether to continue to use or occupy property owned by another party that is held or occupied by the company at the time of their appointment.

Within five business days after their appointment, the voluntary administrator must notify the owner of property whether they intend to continue to occupy or use the property and, if they do not intend to continue to occupy or use the property, the location of that property (if known). If the voluntary administrator decides to continue to occupy or use the property, they will be personally liable for any rent or amounts payable arising after the end of the five business days.

## Creditors' meetings

Two meetings of creditors must be held during the voluntary administration.

### First creditors' meeting

The voluntary administrator must hold the first creditors' meeting within eight business days after the voluntary administration begins.

At least five business days before the meeting, the voluntary administrator must notify as many creditors as practical in writing and advertise the meeting. The advertisement must appear on [ASIC's published notices website](#).

The voluntary administrator must send to creditors, with the notice of meeting, declarations about any relationships they may have, or indemnities they have been given, to allow creditors to consider the voluntary administrator's independence and make an informed decision about whether to replace them with another voluntary administrator of the creditors' choice.

The purpose of the first meeting is for creditors to decide two questions:

- whether they want to form a committee of inspection, and, if so, who will be on the committee
- whether they want the existing voluntary administrator to be removed and replaced by a voluntary administrator of their choice.

A committee of inspection may be formed to assist and advise the voluntary administrator. The committee of inspection also monitors the conduct of the voluntary administration, may approve certain steps in the administration and may give directions to the voluntary administrator. The voluntary administrator must have regard to, but is not always required to comply with, such directions.

A creditor who wishes to nominate an alternative voluntary administrator at the first meeting must approach a registered liquidator before the meeting and get a written consent from that person that they would be prepared to act as voluntary administrator. The proposed alternative administrator should give to the meeting declarations about any relationships

they may have or indemnities they have been given. The voluntary administrator will only be replaced if the resolution to replace them is passed by the creditors at the meeting.

To be eligible to vote at this meeting, you must lodge details of your debt or claim with the voluntary administrator (discussed further below).

This meeting can be chaired by either the voluntary administrator or one of their senior staff.

## Second creditors' meeting (to decide the company's future)

After investigating the affairs of the company and forming an opinion on each of the three options available to creditors (outlined above), including an opinion as to which option is in the best interests of creditors, the administrator must call a second creditors' meeting. At this meeting, creditors are given the opportunity to decide the company's future.

This meeting is usually held about five weeks after the company goes into voluntary administration (six weeks if the appointment is around Christmas or Easter).

However, in complex voluntary administrations, often more time is needed for the voluntary administrator to be in a position to report to creditors. In these circumstances, the court can approve an extension of time to hold the meeting.

The voluntary administrator must chair this meeting.

In preparation for the second meeting, the voluntary administrator must send creditors the following documents at least five business days before the meeting:

- a notice of meeting
- the voluntary administrator's report
- the voluntary administrator's statement.

These will be accompanied by:

- a claim form (usually a 'proof of debt' form)
- a proxy voting form.

The meeting must also be advertised on [ASIC's published notices website](#).

Either or both the first and second creditors' meeting may be held using telephone or videoconferencing facilities.

## Voluntary administrator's report

You should read the voluntary administrator's report before you attend the second meeting or decide whether you want to appoint someone else to vote on your behalf at that meeting. This report must give sufficient information to explain the company's business, property, affairs and financial circumstances, to enable you to make an informed decision about the company's future.

The report should also provide an analysis of any proposals for the future of the company, including the possible outcomes, as well as a comparable estimate of what would be available for creditors in a liquidation.

## Voluntary administrator's statement

The voluntary administrator's statement must include the voluntary administrator's opinion, with reasons, on each of the options available to creditors, as well as an opinion on which option the voluntary administrator believes is in the best interests of creditors. As noted above, the options are:

- end the voluntary administration and return the company to the directors' control
- approve a deed of company arrangement (if one is proposed)
- wind up the company and appoint a liquidator.

The voluntary administrator's statement must also include such other information known to the voluntary administrator that will allow you to make an informed decision about each of the options above.

The statement must also advise whether there are any voidable transactions (such as unfair preferences, unfair loans, insolvent trading, etc.) where money or property may be recoverable by a liquidator, if one were appointed.

If there are proposals for a deed of company arrangement, the voluntary administrator must provide creditors with a statement giving enough details of each proposal to enable creditors to make an informed decision. The types of proposals allowed in a deed of company arrangement are very flexible.

Typically, a proposal will provide for the company to pay all or part of its debts, possibly over time, and then be free of those debts. It will often provide for the company to continue trading. How these things will happen varies from case to case, as the terms allowed in a deed of company arrangement are also very flexible. The contents of a deed of company arrangement are discussed below.

You should insist on being provided with as much information about the terms of the proposed deed as possible before the creditors' meeting. The minimum contents of a deed of company arrangement, discussed below, provide a guide on the information you might request if it hasn't already been provided.

You should also contact the voluntary administrator before the meeting if you believe the voluntary administrator's report or statement do not contain sufficient information to enable you to make a decision about the company's future.

## Voting at a creditors' meeting

To vote at any creditors' meeting you must lodge details of your debt or claim with the voluntary administrator. Usually, the voluntary administrator will provide you with a form called a 'proof of debt' to be completed and returned before the meeting.

The chairperson of the meeting decides whether or not to accept the debt or claim for voting purposes. The chairperson may decide that a creditor does not have a valid claim. In this case, they may not allow the creditor to vote at all. If the chairperson is in doubt whether to accept the debt or claim, they must mark the vote as objected to and allow the creditor to vote subject to the vote being declared invalid if the objection is sustained. This decision is only for voting purposes. It is not relevant to whether a creditor will receive a dividend.

An appeal against a decision by the chairperson to accept or reject a proof of debt or claim for voting purposes may be made to the court within 10 business days after the decision.

A secured creditor is entitled to vote for the full amount of their debt without having to deduct the value of their security interest.

## Voting by proxy

You may appoint an individual as proxy to attend and vote at a meeting on your behalf. Creditors who are companies will have to nominate a person as proxy so that they can participate in the meeting. This is done using a form sent out with the notice of meeting. The completed proxy form must be provided to the voluntary administrator before the meeting.

An electronic form of proxy may be used if the liquidator allows electronic lodgement, provided there is a way to authenticate the appointment of the proxy (e.g. by scanning and emailing a signature or using a digital signature).

You can specify on the proxy form how the proxy is to vote on a particular resolution and the proxy must vote in accordance with that instruction. This is called a 'special proxy'. Alternatively, you can leave it to the proxy to decide how to vote on each of the resolutions put before the meeting. This is called a 'general proxy'.

You can appoint the chairperson to represent you either through a special or general proxy. The voluntary administrator or one of their partners or employees must not use a general proxy to vote in favour of a resolution approving payment of the voluntary administrator's fees.

## Manner of voting

A vote on any resolution put to a creditors' meeting may be taken by creditors stating aloud their agreement or disagreement, or by a more formal voting procedure called a 'poll'.

If voting is by verbally signalling agreement, the resolution is passed if a majority of those present indicate agreement. It is up to the chairperson to decide if this majority has been reached.

After the vote, the chairperson must tell those present whether the resolution has been passed or lost. If the chairperson is unable to determine the outcome of a resolution on verbal agreement, they may decide to conduct a poll.

Alternatively, a poll can be demanded by the person presiding at the meeting or by a person participating and entitled to vote at the meeting. If a poll is demanded, it must be taken immediately.

The chairperson will determine how this poll is taken.

If you intend to demand that a poll be taken, you must do so before, or as soon as, the chairperson has declared the result of a vote taken by voices.

When a poll is conducted, a resolution is passed if both:

- more than half the number of creditors who are voting (in person or by proxy) vote in favour of the resolution
- those creditors who are owed more than half of the total debt owed to creditors at the meeting vote in favour of the resolution.

This is referred to as a 'majority in number and value'. If a majority in both number and value is not reached under a poll (often referred to as a deadlock), the chairperson has a casting vote.

### Chairperson's casting vote

When a poll is taken and there is a deadlock, the chairperson may use their casting vote (except for resolutions to approve their remuneration) either in favour of or against the resolution. Where the resolution relates to their removal as voluntary administrator, the chairperson may only exercise the casting vote in favour of their removal. The chairperson may also decide not to use their casting vote, in which case the deadlocked resolution is not passed.

The chairperson must inform the meeting, and include in the written minutes of meeting that are lodged with ASIC, of the reasons why they exercised their casting vote in a particular way or why they chose not to use their casting vote.

If you are dissatisfied with how the chairperson exercised their casting vote or failed to use their casting vote, you may, in specified circumstances, apply to the court for a review of the chairperson's decision. The court may vary or set aside the resolution or order that the resolution is taken to have been passed.

### Votes of related creditors

If directors and shareholders, their spouses and relatives and other entities controlled by them are creditors of the company, they are entitled to attend and vote at creditors' meetings, including the meeting to decide the company's future.

If a resolution is passed or defeated based on the votes of these related creditors and you are dissatisfied with the outcome, you may, in specified circumstances, apply to the court for the resolution to be set aside and/or for a fresh resolution to be voted on without related creditors being entitled to vote. Certain criteria must be met before the court will make such an order (e.g. the original result of the vote being against the interests of all or a class of creditors).

### Deciding how to vote at the second meeting

How you vote at the meeting on the three possible options, including any competing proposals for a deed of company arrangement, is a commercial decision based on your assessment of the company and its future prospects, and your personal circumstances. The information provided by the voluntary administrator, including opinions expressed, will assist you. However, you are not obliged to accept the administrator's recommendation.

If you do not consider that you have been given enough information to decide how to vote, and particularly whether to vote for any deed proposal, you can ask for a resolution to be put to creditors that the meeting be adjourned (up to a maximum of 45 business days in total) and for the administrator to provide more information. You must make this request before a vote on the company's future. This resolution must be passed for the adjournment to take place.

Creditors also have the right, when a deed of company arrangement is proposed and considered at the meeting, to negotiate specific requirements into the terms of the deed – including, for example, how the deed administrator is to report to them on the progress of the deed.

Any request to vary the deed proposal to include such requirements should be made before the deed proposal is voted on.

## Minutes of meeting

The chairperson must prepare minutes of each meeting and a record of those who were present at each meeting.

The minutes must be lodged with ASIC within 10 business days of the meeting. A copy of the minutes of meeting may be obtained by searching the [ASIC registers](#) and paying the relevant fee.

## Company returned to directors

If the company is returned to the directors, they will be responsible for ensuring that the company pays its outstanding debts as they fall due. It is only in very rare circumstances that creditors will resolve to return the company to the control of its directors.

## Liquidation

If creditors resolve that the company go into liquidation, the voluntary administrator becomes the liquidator unless creditors vote at the second meeting to appoint a different liquidator of their choice. The liquidation proceeds as a creditors' voluntary liquidation with any payments of dividends to creditors made in the order set out in the *Corporations Act 2001* (Corporations Act). To find out more, see [Information Sheet 45 Liquidation: A guide for creditors](#) (INFO 45).

## Deed of company arrangement

If creditors vote for a proposal that the company enter a deed of company arrangement, the company must sign the deed within 15 business days of the creditors' meeting, unless the court allows a longer time. If this doesn't happen, the company will automatically go into liquidation, with the voluntary administrator becoming the liquidator.

The deed of company arrangement binds all unsecured creditors, even if they voted against the proposal. It also binds owners of property, those who lease property to the company and secured creditors, if they voted in favour of the deed. In certain circumstances, the court can also order that these people are bound by the deed even if they didn't vote for it. The deed of company arrangement does not prevent a creditor who holds a personal guarantee from the company's director or another person taking action under the personal guarantee to be repaid their debt.

## Contents of the deed

Whatever the nature of the deed of company arrangement, it must contain certain information, including:

- the name of the deed administrator
- the property that will be used to pay creditors
- the debts covered by the deed and the extent to which those debts are released
- the order in which the available funds will be paid to creditors (the deed of company arrangement must ensure that employees have a priority in payment of outstanding employee entitlements unless the eligible employees agree by a majority in both number and value to vary this priority)
- the nature and duration of any suspension of rights against the company
- the conditions (if any) for the deed to come into operation
- the conditions (if any) for the deed to continue in operation
- the circumstances in which the deed terminates.

There are also certain terms that will be automatically included in the deed, unless the deed says they will not apply. These are called the 'prescribed provisions'. They include such matters as the powers of the deed administrator, termination of the deed and the appointment of a committee of creditors (called a 'committee of inspection').

The voluntary administrator's report should tell you which prescribed provisions are proposed to be excluded or varied, and, if varied, how.

## Monitoring the deed

It is the role of the deed administrator to ensure the company (or others who have made commitments under the deed) carries through these commitments. The extent of the deed administrator's ongoing role will be set out in the deed.

Creditors can also play a role in monitoring the deed. If you are concerned that the obligations of the company (or others) under the deed are not being met, you should take this up promptly with the deed administrator. Matters that may give rise for concern include deadlines for payments or other actions promised under the deed being missed.

Creditors also have the right when a deed of company arrangement is proposed and considered at the second meeting to negotiate consequences of failure to meet such deadlines into the terms of the deed. Any request to vary the deed proposal to include such consequences should be made before the deed proposal is voted on.

A director must notify the deed administrator if they become aware that there has been, or is likely to be, a material contravention of the deed. In addition, the deed administrator must give notice to creditors as soon as practicable after becoming aware of the material contravention or if there is likely to be a material contravention of the deed.

A deed administrator must lodge with ASIC a detailed list of their receipts and payments (known as the annual administration return) annually on the anniversary of their appointment and at the end of their administration. A copy of the receipts and payments may be obtained by searching the [ASIC registers](#) and paying the relevant fee.

**Note:** If the deed of company arrangement commenced prior to 1 September 2017, the deed administrator will continue to lodge the six-monthly [Form 524 Presentation of accounts and statement](#) until the six-month period ending on the first anniversary of their appointment date. Thereafter, they will lodge the annual administration return.

## Varying the deed

The deed administrator can call a creditors' meeting at any time to consider a proposed variation to the deed. The proposed resolutions must be set out in the notice of meeting sent to creditors.

The deed administrator must also call a meeting to consider a resolution to vary the deed if:

- the committee of inspection directs it (where there is a committee of inspection)
- creditors pass a resolution requiring the deed administrator call a meeting
- at least 25% in value of creditors direct the deed administrator to do so in writing
- less than 25% but more than 10% in value of creditors direct the deed administrator to do so in writing and they provide security for the cost of holding the meeting.

The deed administrator is not required to comply with a direction by the committee of inspection or creditors to call a meeting if that direction is not reasonable.

If the deed administrator considers the direction is not reasonable, they must notify the person or body that gave the direction and set out the reasons why it is not reasonable. In this circumstance, the deed administrator may still convene a meeting to consider varying the deed if the person or body who gave the direction agree to pay the costs of calling and holding the meeting.

## Payment of dividends under a deed

The order in which creditor claims are paid depends on the terms of the deed. Sometimes the deed proposal is for creditor claims to be paid in the same priority as in a liquidation. Other times, a different priority is proposed.

The deed must ensure employee entitlements are paid in priority to other unsecured creditors unless eligible employees have agreed to vary their priority.

Before you decide how to vote at the creditors' meeting, make sure you understand how the deed will affect the priority of payment of your debt or claim.

You may wish to seek independent legal advice if the deed proposes a different priority to that in a liquidation, or if creditors approve such a deed.

## Establishing your claim under a deed

How debts or claims are dealt with under a deed of company arrangement depends on the deed's terms. Sometimes the deed incorporates the Corporations Act provisions for dealing with debts or claims in a liquidation.

Before any dividend is paid to you for your debt or claim, you will need to give the deed administrator sufficient information to prove your debt. You may be required to complete a claim form (this is called a 'proof of debt' in a liquidation). You should attach copies of any relevant invoices or other supporting documents to the claim form, as your debt or claim may be rejected if there is insufficient evidence to support it.

If a creditor is a company, the claim form should be signed by a person authorised by the company to do so.

When submitting a claim, you may ask the deed administrator to acknowledge receipt of your claim and advise if any further information is needed.

If the deed administrator rejects your claim after you have taken the above steps, first contact the deed administrator. You may also wish to seek your own legal advice. This should be done promptly. Depending on the terms of the deed, you may have a limited time in which to take legal action to challenge the decision.

If you have a query about the timing of the payment, discuss this with the deed administrator.

## How a deed comes to an end

A deed may come to an end because the obligations under the deed have all been fulfilled and the creditors have been paid. Alternatively, the deed may set out certain conditions where the deed will automatically terminate.

The deed may also provide that the company will go into liquidation if the deed terminates due to these conditions being met.

Another way for the deed to end is if the deed administrator calls a meeting of creditors (either on their own initiative or at the direction of creditors or the committee of inspection if one has been formed), and creditors vote to end the deed. This may occur because there has been a breach of the deed or it appears unlikely that the terms of the deed can be fulfilled.

At the same time, creditors may be asked to vote to put the company into liquidation.

The deed may also be terminated if a creditor, the company, ASIC or any other interested person applies to the court and the court is satisfied that:

- creditors were provided false and misleading information on which the decision to accept the deed proposal was made
- the voluntary administrator's report left out information that was material to the decision to accept the deed proposal
- the deed cannot proceed without undue delay or injustice
- the deed is unfair or discriminatory to the interests of one or more creditors or against the interests of creditors as a whole.

If the court terminates the deed as a result of such an application, the company automatically goes into liquidation.

## Approval of administrator's fees

Both a voluntary administrator and deed administrator are entitled to be paid for the work they perform. Generally, their fees will be paid from available assets, before any payments are made to creditors. They may have also arranged for a third party to pay any shortfall in their fees if there aren't enough assets.

The fees cannot be paid until the amount has been approved by creditors, a committee of inspection or the court. Creditors, the voluntary administrator/deed administrator or ASIC can ask the court to review the amount of fees



approved. Alternatively, the voluntary administrator or deed administrator may put a proposal to creditors to approve their fees without holding a meeting.

If you are asked to approve fees, either at a general meeting of creditors or at a meeting of a committee of inspection, the voluntary administrator or deed administrator must give you, at the same time as the notice of the meeting, a report that contains sufficient information for you to assess whether the fees claimed are reasonable. This report should be in simple language and set out:

- a summary description of the major tasks performed or likely to be performed
- the costs of completing those tasks and how those costs were calculated
- the periods when funds will be drawn to pay the fees
- the estimated total amount, or range of amounts, of total fees
- an explanation of the likely impact the fees will have on any dividends to creditors
- such other information that will assist in assessing the reasonableness of the fees claimed.

If you are in any doubt about how the fees were calculated, ask for more information.

Apart from fees, the voluntary administrator and deed administrator are entitled to reimbursement for out-of-pocket expenses that have arisen in carrying out their administration. This reimbursement may require creditor, committee of inspection or court approval.

For further information, see [Information Sheet 85 Approving fees: A guide for creditors](#) (INFO 85).

## Proposals to creditors without a meeting

Instead of convening a creditors' meeting, the voluntary administrator or deed administrator can put proposals to creditors by giving notice in writing.

This notice must be given to each creditor who would be entitled to receive notice of a meeting and:

- include a statement of the reasons for the proposal and the likely impact the proposal will have on creditors
- invite the creditor to either:
  - vote 'yes' or 'no' for the proposal
  - object to the proposal being resolved without a meeting
- specify a reasonable time for creditors' replies to be received by the administrator.

To vote on the proposal, a creditor must lodge details of their debt or claim with the administrator and complete the voting documents provided by the administrator.

Creditors can vote 'yes' or 'no' on the proposal and/or object to the proposal being resolved without a creditors' meeting. You should return your response to the administrator within the time specified in the notice, which must be at least 15 business days after the notice is given to creditors.

A resolution is passed if the majority of creditors in number and value who responded to the notice voted 'yes' and if not more than 25% in value of the creditors who responded objected to the proposal being resolved without a creditors' meeting.

The administrator should provide creditors enough information to allow them to make an informed decision about the proposal. A creditor should contact the administrator to obtain further information if they think it necessary for them to make a decision.

The administrator must lodge with ASIC a statement about the outcome of the proposal. A copy of the outcome of the proposal may be obtained by searching the [ASIC registers](#) and paying the relevant fee.

## Committee of inspection

A committee of inspection may be formed to assist and advise the voluntary administrator or deed administrator. The committee of inspection also monitors the conduct of the voluntary administrator or deed administrator, may approve



certain steps in the voluntary administration or deed administration and may give directions to the voluntary administrator or deed administrator. The voluntary administrator or deed administrator must have regard to, but is not always required to comply with, such directions.

In a voluntary administration, the committee may be formed at the first creditors' meeting.

All creditors are entitled to stand for committee membership. Members appointed to the committee of inspection represent the interests of all creditors.

If a creditor is a company, the creditor can nominate, in writing, an individual to represent it on the committee.

A person can be appointed as a member of the committee of inspection:

- by resolution of creditors
- by a creditor or group of creditors owed at least 10% of the value of creditors' claims
- by an employee or group of employees owed at least 50% in value of outstanding employee entitlements.

A member of the committee of inspection must not directly or indirectly derive any profit or advantage from the external administration of the company.

A committee of inspection has various powers and functions, including to:

- approve the remuneration of the voluntary administrator or deed administrator
- direct the voluntary administrator or deed administrator to convene a meeting of creditors
- request the voluntary administrator or deed administrator to give information, provide a report or produce a document
- obtain specialist advice or assistance (with the prior approval of the voluntary administrator, deed administrator or the court) that the committee considers desirable relating to the conduct of the voluntary administration or the deed administration.

The external administrator or deed administrator is not required to comply with a direction to convene a meeting or give information if that request is not reasonable.

A committee of inspection can determine its own procedures and exercises its powers through resolutions passed at meetings of the committee. A resolution is passed by a majority in number of its members present at a meeting. The committee of inspection can only act if a majority of its members attend.

Minutes of meetings of the committee of inspection must be prepared and lodged with ASIC.

ASIC is entitled to attend a meeting of the committee of inspection.

## Directors and voluntary administration

Directors cannot use their powers while the company is in voluntary administration. They must help the voluntary administrator, including providing the company's books and records, and a report about the company's business, property, affairs and financial circumstances, as well as any further information about these that the voluntary administrator reasonably requires.

If the company goes from voluntary administration into a deed of company arrangement, the directors' powers depend on the deed's terms. When the deed is completed, the directors regain full control, unless the deed provides for the company to go into liquidation on completion.

If the company goes from voluntary administration or a deed of company arrangement into liquidation, the directors cannot use their powers. If creditors resolve that the voluntary administration should end, control of the company goes back to the directors.

## Other creditor rights

### Request for information

Creditors can, by resolution passed at a meeting of creditors or individually, request the voluntary administrator or deed administrator to give information, provide a report or produce a document.

The voluntary administrator or deed administrator must comply with this request if:

- the information, report or document is relevant to the administration
- the voluntary administrator or deed administrator would not breach their duty if they comply with the request
- the request is reasonable.

If the voluntary administrator or deed administrator, acting in good faith, believes it is not reasonable to comply with the request they must notify the requesting party and set out their reason for believing the request is not reasonable.

The voluntary administrator or deed administrator may consider the request not reasonable if, for example, complying with the request would substantially prejudice the interests of one or more creditors, the information would otherwise be privileged from production in legal proceedings or if the administration does not have sufficient funds to pay the cost of complying with the request.

If there are insufficient funds, the voluntary administrator or deed administrator may decide to comply with the request if the requesting party agrees to pay the cost of providing the information.

## Appoint a reviewing liquidator

Creditors can resolve to appoint a reviewing liquidator to carry out a review into fees and/or costs incurred by the voluntary administrator or deed administrator. In addition, one or more creditors with the agreement of the voluntary administrator or deed administrator may appoint a reviewing liquidator.

**Note:** A creditor can also apply to ASIC in the approved form for it to appoint a reviewing liquidator (see Form 5605 *Application for ASIC to appoint a reviewing liquidator*).

This review is limited to:

- remuneration approved within the six months before the reviewing liquidator is appointed
- costs or expenses incurred during the 12-month period before the reviewing liquidator is appointed (unless the voluntary administrator or deed administrator agrees to a longer period).

The reviewing liquidator must be a registered liquidator. A creditor who wishes to appoint a reviewing liquidator must approach a registered liquidator to get a written consent from that person that they would be prepared to act as reviewing liquidator. The person must also make a written declaration about any relationships they or their firm may have that might affect their independence to act as reviewing liquidator.

The voluntary administrator or deed administrator, and their staff, must cooperate with the reviewing liquidator.

If creditors pass a resolution to appoint a reviewing liquidator, the reviewing liquidator's costs form part of the expenses of the external administration of the company. If one or more creditors appoint the reviewing liquidator with the consent of the voluntary administrator or deed administrator without passing a resolution, the reviewing liquidator's costs are borne by the creditor(s) appointing the reviewing liquidator.

## Queries and complaints

You should first raise any queries or complaints with the voluntary administrator or deed administrator. If this fails to resolve your concerns, including any concerns about their conduct, you can lodge a report of misconduct with ASIC – see [How to complain](#).

Lodging your report of misconduct online ensures the quickest response from ASIC to your concerns.

ASIC usually does not become involved in matters of a voluntary administrator's or deed administrator's commercial judgement.

Reports of misconduct against companies and their officers can also be made to ASIC.

If you cannot report misconduct to ASIC online, you can contact us on 1300 300 630.

## Where can I get more information?

For an explanation of terms used in this information sheet, see [Information Sheet 41 \*Insolvency: A glossary of terms\*](#) (INFO 41). For more on external administration, see the related information sheets listed in [Information Sheet 39 \*Insolvency information for directors, employees, creditors and shareholders\*](#) (INFO 39).

Further information is available from the [Australian Restructuring Insolvency & Turnaround Association \(ARITA\) website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

## Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice. You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases your particular circumstances must be taken into account when determining how the law applies to you.

This is **Information Sheet 74 (INFO 74)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Last updated: 01/09/2017 07:51

Annexure I - ARITA Information Sheet – Creditor Rights in Voluntary Administration

# 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.

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 an alternative registered liquidator as deed administrator or liquidator.


**For more information, go to [www.arita.com.au/creditors](http://www.arita.com.au/creditors).  
Specific queries about the voluntary administration should be directed to the voluntary administrator's office.**

Annexure J - Authorised signatories

## Authorised Signatories and Approval Limits

NAME: Richard Hughes

AUTHORISATION LIMIT: No limit

SIGNATURE: 

NAME: David Orr

AUTHORISATION LIMIT: No limit

SIGNATURE: 

NAME: Neil Williams

AUTHORISATION LIMIT: \$25,000.00

SIGNATURE: 

NAME: Harry Bayard

AUTHORISATION LIMIT: \$25,000.00

SIGNATURE: 