Frequently Asked Questions (FAQs): Shareholders

BWX LIMITED (ACN 163 488 631) AND ITS SUBSIDIARIES AS LISTED IN SCHEDULE 1

(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)

(TOGETHER "THE COMPANIES")

What happened to BWX?

BWX Limited and certain of its subsidiaries ("**BWX**" or "**the Companies**") entered voluntary administration on Monday, 3 April 2023. Kate Warwick, Kelly Trenfield and Joseph Hansell of FTI Consulting were appointed as Joint and Several Voluntary Administrators of the Companies ("**Administrators**") by resolution of the Companies' directors.

On 4 April 2023, David Hardy, Gayle Dickerson, James Stewart and James Douglas Dampney of KPMG were appointed as Receivers and Managers ("**Receivers**") of certain of the Companies.

What is the Voluntary Administration process and why is it happening?

When a business experiences significant financial difficulty, it can be placed into administration voluntarily.

Voluntary administration is a process in which an independent business advisor (the voluntary administrator), who is required to be registered with the Australian Securities and Investments Commission ("**ASIC**"), is appointed to take control of the business of a company, review its operations and explore restructuring options that may be available to maximise the value of the restructured business for all stakeholders of the company.

The voluntary administration process also provides the company with some 'breathing space' in relation to creditor claims and actions. It allows the voluntary administrator the opportunity to consider what options may be available to maximise the chance of the company continuing its existence or if that is not possible, to provide a better return to creditors (and members) than if there was an immediate liquidation of the company.

What is the Receivership process?

The Receivers were appointed by the secured creditor to the Companies. The Receivers' primary duty is to the secured creditor. At a high level, the Receivers' role is to maximise realisations from the Companies' assets which are subject to the secured creditor's security.

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What does this mean?

The Receivers are in control of the business. With the support of the Companies' secured creditor, senior leadership team and management, they are determining the appropriate strategy to optimise value, which is likely to involve include selling all or part of the Companies' businesses.

How long will this process last for?

The length of the administration process from appointment to completion is currently anticipated to be six (6) months, however this may be extended should the Receivers and/or Administrators consider that a longer period of receivership and/or administration is required.

If the Receivers are only looking after the secured creditor, what about unsecured creditors and shareholders?

While the Receivers' main duty is to the Companies' secured creditor, the Receivers have a duty to take reasonable care to sell the secured assets for not less than their market value or, if there is no market value, the best price reasonably obtainable having regard to the circumstances existing when the assets are sold. A Receiver also has the same general duties as a company director. It is the Voluntary Administrators' duty to act in, and protect, the interests of unsecured creditors and shareholders.

What are my shares worth now?

Given the early stages of the Administration and the Receivership, it is premature to determine the outcome of the external administration process on the Companies and its impact on shareholders. It is noted that BWX entering voluntary administration/receivership does not mean that the Companies will automatically be wound up. The value of your shareholding will depend on the outcome of the Receivership and Administration.

Can I still trade my BWX shares?

BWX securities are currently suspended.

Shares in BWX Limited and each of the Companies cannot be transferred without the Administrators' consent or permission from Court.

Will shareholders receive any money?

The return to shareholders is dependent on the outcome of the Receivership and the Administration, which is unable to be determined at this stage.

What happens next?

Prior to the second meeting of creditors, the Administrators will prepare a report to creditors which will make a recommendation in relation to the future of the Companies. The options available in relation to the future of the Companies are:

- liquidation; or
- return control of the Companies to directors; or
- enter into a Deed of Company Arrangement (DOCA).

At the second meeting of creditors, all eligible creditors of the Companies will vote in order to determine the future of the Companies. The threshold to pass the relevant resolution is over 50% in both number and value attending the meeting either in person or proxy.

The second meeting of creditors usually takes place within 25 days from the date of the Administrators' appointment, however the date of the meeting is able to be extended by the Administrators with the approval of the Court. At this stage of the Administration, the second meeting of creditors is anticipated to take place approximately six (6) months from the date of Administration, being on or around 3 October 2023 (assuming approval is obtained).

As a shareholder, am I able to vote on the future of the BWX?

Having regard to the priorities set out in the *Corporations Act 2001* and further legislative law and precedent, shareholders are unfortunately unable to vote on matters relating to BWX.

What investigations will the Administrators conduct?

The Voluntary Administrators must investigate the Companies' affairs to understand the reasons leading up to, and reasons for, the Companies' failure and will report to creditors with respect to same.

How will I receive updates on the Administration?

The Administrators will continue to update shareholders on material developments via announcements to the ASX.

Who should I contact if I have further questions?

If you are a shareholder, please direct your enquiry to FTI Consulting at BWX.Investors@fticonsulting.com.

For all other enquiries regarding the Voluntary Administration, please contact BWXGroup@fticonsulting.com.

Updated: 19 April 2023

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Schedule 1 – Schedule of Subsidiaries

Company name	ACN
Beautiworx Pty Ltd	163 847 916
LHS No. 2 Pty Ltd	165 455 201
Sapu Corporation Pty Ltd (Formerly Uspa Corporation Pty Ltd)	163 273 514
Edward Beale Hair Care Pty Ltd	167 891 161
BWX Brands Pty Ltd	602 062 117
BWX Australia Pty Ltd	601 966 170
Sukin Australia Pty Ltd	602 062 199
Renew Skin Care Australia Pty Ltd	606 139 315
Derma Sukin Australia Pty Ltd	606 140 818
Lightning Distribution Pty Ltd	610 861 455
BWX Digital Pty Ltd	621 403 370
The Good Collective Pty Ltd	169 556 398