

17 March 2021

INITIAL INFORMATION FOR CREDITORS AND SUPPLIERS

CARBONCOR AUSTRALIA PTY LTD ACN 625 525 895 (ADMINISTRATORS APPOINTED) ("THE COMPANY")

The purpose of this document is to provide you with information about the voluntary administration of the Company and your rights as a creditor.

APPOINTMENT OF VOLUNTARY ADMINISTRATORS

Nathan Stubing and I, Daniel Woodhouse of this office were appointed as Joint and Several Administrators of the Company on 15 March 2021 by a resolution of the Company's director.

A copy of my Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") is attached. The DIRRI assists you to understand any relevant relationships that I have, and any indemnities or upfront payments that have been provided to me. I have considered each relationship and it is my opinion that none of the relationships disclosed in the DIRRI result in a conflict of interest or duty or affect my independence.

VOLUNTARY ADMINISTRATION

Voluntary administration is a process under the law which allows companies unable to pay their debts, or likely to become unable to pay their debts to appoint an independent, qualified person (called a voluntary administrator) to take control of the Company and its operations. This process allows breathing space to work out the best outcome for all stakeholders and involves the voluntary administrators calling creditors' meetings over the following 20 business days at which creditors decide the future of the Company. The creditors will determine if the Company:

- a) Be returned to the director;
- b) Be placed into liquidation; or
- c) Enter into a Deed of Company Arrangement.

According to the Company's records, you may be a creditor of the Company.

FTI Consulting (Australia) Pty Limited

ABN 49 160 397 811 | ACN 160 397 811 | AFSL Authorised Representative # 001269325

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Liability limited by a scheme approved under Professional Standards Legislation.

WHAT HAPPENS TO YOUR DEBT?

All creditors of the Company are now creditors in the voluntary administration. As a creditor, you have certain rights, although your debt will be dealt with in the voluntary administration. Further information regarding your rights as a creditor is enclosed with this circular.

It is important to note that a voluntary administration creates restrictions on creditors being able to enforce their rights. You generally cannot enforce your claim, recover your property, enforce your security, commence an action to place the company into liquidation or act on a personal guarantee. Please refer to *Important statements for all creditors and suppliers* attached.

If you have leased the company property, have a retention of title claim or hold a Personal Property Security in relation to the company, please contact my staff as soon as possible. Further information is enclosed - please refer to *Requirements for parties with security interests and other claims* attached.

OPERATIONS AND TRADING

The Company ceased operations prior to our appointment. The Administrators have taken control of the Company and requested the director to prepare a report on the Company's business, property, affairs and financial circumstances.

The Administrators are currently investigating the Company's affairs and further information will be provided to creditors in due course.

MEETINGS OF CREDITORS

As voluntary administrator, I am required to hold two meetings of creditors.

First Meeting of Creditors

When a Company enters into voluntary administration, the Administrators are required to convene a first meeting of creditors within eight (8) business days after the commencement of the voluntary administration.

The First Meeting of the Creditors will be virtually held at **11:00 am (AWST) on Thursday, 25 March 2021** via teleconference facilities.

In this regard, please find enclosed the following documents:

- a) Notice of First Meeting of Creditors of the Company under Administration;
- b) Form - Appointment of Proxy; and
- c) Formal Proof of Debt or Claim Form.

If you intend to appoint another person to act on your behalf at the meeting, or you are a corporate creditor, you are required to complete and return the enclosed proxy form appointing your representative to Lo Taderera at lo.taderera@fticonsulting.com or by fax to (08) 9321 8533 no later than **4:00pm (AWST) on 24 March 2021**.

You can appoint the chairperson of the meeting as your proxy and direct the chairperson how you wish your vote to be cast. If you choose to do this, the chairperson must cast your vote as directed.

Creditors are required to lodge proofs of debt for voting purposes no later than **4:00pm (AWST) on Wednesday, 24 March 2021**, failing which they may be excluded from voting at the meeting. A Proof of Debt or Claim Form is attached for this purpose. Proofs of Debt may be sent to FTI Consulting, PO Box Z5486, St Georges Terrace, PERTH WA 6831 or faxed to (08) 9321 8544.

General information regarding the conduct of meetings of creditors and the completion of proxy forms and proof of debt forms is enclosed and can also be found on our website at <http://www.fticonsulting-asia.com>.

Statutory notices and advertisements about the Company will be published on ASIC's Published Notices website at www.insolvencynotices.asic.gov.au.

Second Meeting of Creditors

A second meeting of creditors will be held, at which creditors will vote on the future of the Company. Details of that meeting and a Report to Creditors on the Company's business, property, affairs and financial circumstances will be sent to you in due course.

COSTS OF THE VOLUNTARY ADMINISTRATION PROCESS

Attached to this circular is my Initial Remuneration Notice, which provides you with information about how I propose to be paid for undertaking the voluntary administration.

We will seek approval of our remuneration at the second meeting of creditors. We will provide you with further information regarding our remuneration before that meeting, detailing the tasks that we have attended to, will be required to attend to, and the costs of those tasks.

If you have any information that you think may help with the administration of the Company, the going concern sale or help the administrators with the investigations into the Company's affairs, please contact us. Our details are attached – please refer to *Administrators' background and contact details*.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Daniel Woodhouse', written over a faint, large, light-colored oval shape.

Daniel Woodhouse

Joint and Several Administrator

NOTICES AND ATTACHMENTS INCLUDED IN THIS CIRCULAR

The administration will be conducted on the basis of the information contained in the following notices and attachments:

- **Administrators' background and contact details**
- **Important statements for all creditors and suppliers**
- **Requirements for parties with security interests and other claims**
- **Administrators' trading procedures.** This includes the specimen signatures of the Administrators and their authorised persons.
- **Details and notices for the first meeting of creditors**
 - Notice of First Meeting of Creditors of the Company under Administration;
 - Form - Appointment of Proxy;
 - Formal Proof of Debt or Claim Form (for voting purposes);
 - Guidance notes for completing proxy and proof of debt or claim forms.
- **Independence and remuneration disclosures**
 - Initial advice to creditors – basis of remuneration;
 - FTI Consulting Standard Rate schedule; and
 - The Administrators' Declaration of Independence, Relevant Relationships and Indemnities.
- **Information sheets about your rights and the voluntary administration process**
 - Information regarding your rights as a creditor;
 - Information sheet called "Insolvency information for directors, employees, creditors and shareholders";
 - Additional information sheets on the administration process can be obtained at www.asic.gov.au (search for "insolvency information sheets") or www.arita.com.au/creditors.

ADMINISTRATORS' BACKGROUND AND CONTACT DETAILS

ABOUT US

Daniel Woodhouse is a Senior Managing Director and Nathan Stubing is a Managing Director at FTI Consulting (Australia) Pty Ltd. They are both Registered Liquidators and also Professional Members of the Australian Restructuring Insolvency and Turnaround Association.

FTI Consulting specialises in corporate finance and restructuring and is part of FTI Consulting, Inc. a global business advisory firm dedicated to helping organisations protect and enhance enterprise value. You can find out more at www.fticonsulting-asia.com.

CREDITOR ENQUIRIES – FIRST MEETING OF CREDITORS AND GENERAL MATTERS

For queries about the forthcoming meeting or the administration generally, please contact Lo Taderera by one of the following methods:

Telephone: (08) 9321 8533

Email: lo.taderera@fticonsulting.com

Post: PO Box Z5486,
St Georges Terrace
PERTH WA 6831

Facsimile: (08) 9321 8544

IMPORTANT STATEMENTS FOR ALL CREDITORS AND SUPPLIERS

NO ADOPTION OF ANY CONTRACTS OR ASSUMPTION OF LIABILITIES OF THE COMPANY BY THE ADMINISTRATORS

The Administrators are not personally adopting, and will not adopt, any agreement or contract that you may have with the Company. The Administrators will not be liable for any liability of the Company under any agreement or contract with you.

Any payments made by the Administrators for any goods or services does not constitute, nor in any way imply, adoption of any contract or an assumption of any liability of the Company by the Administrators.

EXISTING DEBTS AND CLAIMS CANNOT BE PAID BY ADMINISTRATORS

The Administrators cannot pay any creditor's debts or claims that arise from circumstances or arrangements that were in place with the Company before the Administrators' appointment. Payment of these amounts will depend on the outcome of the administration.

NO SET-OFF AGAINST PRE-APPOINTMENT DEBTS OR CLAIMS

Any amounts due from you to the Company must not under any circumstances be set-off against amounts due from the Company to you.

PROTECTION OF COMPANY PROPERTY AND GENERAL RESTRICTIONS ON THIRD PARTY RIGHTS DURING THE ADMINISTRATION

Without leave of the Court, or the Administrators' written consent:

- A proceeding in a court against the Company or in relation to any of its property cannot be begun or proceeded with;
- Except for perishable property – owners, lessors and creditors with security interests in the Company's property, cannot enforce their security interest, sell any such property they hold, and are not entitled to take possession or otherwise recover such property; and
- No enforcement process in relation to property of the Company can be begun or proceeded with.

See sections 440B to 440F of the Corporations Act 2001 for further details.

REQUIREMENTS FOR PARTIES WITH SECURITY INTERESTS AND OTHER CLAIMS PARTIES WHO ARE REQUIRED TO CONTACT US

Please contact Lo Taderera on (08) 9321 8533 as soon as possible if you:

- Have supplied any goods or collateral to the Company and you have registered a security interest in such property on the Personal Property Security Register (“PPSR”);
- Are otherwise claiming security or proprietary rights in any asset or property owned by or in possession of the Company;
- Lease or hire goods or property to the Company;
- Are claiming a lien over property of the Company; and/or
- Have commenced legal proceedings against the Company.

We will be writing to all parties who have registered a security interest on the PPSR.

PARTIES WITH PMSI, RETENTION OF TITLE AND CONSIGNMENT CLAIMS OVER PROPERTY

Parties with these claims are requested as soon as possible to:

1. Give us details of the items supplied to the Company (including any features by which that property is able to be identified, for example - serial number/s) and which remain unpaid for; and
2. Provide details of your registration on the PPSR with all relevant supporting documents.

GENERAL STATEMENT

The Administrators will consider the information and details provided to them in support of any claims. Where a claim is valid and not disputed, the Administrators will comply with their obligations at law. This should not be interpreted as, in any way, limiting or restricting the rights of the Administrators or the Company, whose rights are expressly reserved.

Please note the Administrators may require payment of their reasonable expenses and remuneration incurred in the identification, preservation and distribution of property to secured parties, purchasers and/or other persons that the property belongs to. This also includes circumstances where property (such as inventory, for example) is made available for collection.

Affected parties should seek their own advice as applicable and as they deem appropriate.

ADMINISTRATORS' TRADING PROCEDURES PURCHASE ORDER TO BE ISSUED TO SUPPLIERS FOR GOODS AND SERVICES

The Company will raise a purchase order for goods and services that are required during the period of the administration. Goods supplied or services rendered to the Company after our appointment will be paid in accordance with these procedures provided that:

1. A purchase order has been issued for the applicable good or service;
2. The purchase order has been signed by the Administrators or our authorised signatories. The specimen signatures of our authorised representatives for this purpose are included with this circular; and
3. The Administrators' liability does not exceed the amount specified on the purchase order.

NEW ACCOUNTS AND OTHER ACCOUNTING PROCEDURES TO BE FOLLOWED

Suppliers must comply with the following procedures:

1. Close any existing accounts against the Company. These accounts will be for goods supplied and services rendered up to and including the date of appointment;
2. Open a new account for the Company with the words "Administrators Appointed" added after the Company's name. This new account is to be used for goods supplied and services rendered to the respective Company during the period of the administration;
3. Update contact details for the Company within your systems to also include the Administrators' contact details; and
4. Please ensure your invoices include the Administrators' purchase order number. This will likely be a new number sequence to help demarcate pre and post-appointment orders.

PAYMENTS AND ACCEPTANCE OF LIABILITY FOR GOODS OR SERVICES

Validly authorised liabilities created after our appointment in accordance with these procedures will be paid in accordance with your/the Company's usual terms unless we determine otherwise.

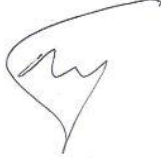

All payments made by the Company or Administrators must be applied against liabilities incurred by the Administrators. These payments cannot be set-off against any other claims against or liabilities incurred by the Company.

If you have current orders or bookings with the Company (including goods in transit or pending delivery), you will need a new purchase order to be issued in accordance with these procedures (and before any goods or services are provided) before the Administrators will accept liability.

It is your responsibility to contact us if you require clarification about any of these arrangements.

Administrators' trading procedures – authorised persons

The following persons are authorised to sign purchase orders for the Company:

Name	Signature	Order Limit (\$)
Nathan Stubing		Unlimited
Daniel Woodhouse		Unlimited

DETAILS AND NOTICES FOR THE FIRST MEETING OF CREDITORS

- **Notice of the First Meeting of Creditors of Company under Administration**

The agenda for the meeting is set out in the notice. Please arrive at the meeting venue at least 15 minutes before the scheduled commencement time in order to sign-in.

Telephone facilities are available for those creditors wishing to attend by telephone. If you wish to attend by telephone can you please contact Lo Taderera no later than **Wednesday, 24 March 2021** that the necessary arrangements can be made.

- **Form - Appointment of Proxy**

This form should be completed if you intend to appoint another person to act on your behalf at the meeting, or if you are a corporate creditor.

- **Formal Proof of Debt or Claim form**

This form allows you to tell us what you are owed by the Company. You must send us a completed form if you wish to vote at the meeting.

Return to:

Name: FTI Consulting (Australia) Pty Ltd

Email: lo.taderera@fticonsulting.com

Post: PO Box Z5486, St Georges Terrace, PERTH WA 6831


Fax: (08) 9321 8544

**CARBONCOR AUSTRALIA PTY LTD ACN 625 525 895
(ADMINISTRATORS APPOINTED) (“THE COMPANY”)**

**NOTICE OF FIRST MEETING OF CREDITORS OF THE COMPANY UNDER
ADMINISTRATION**

1. On 15 March 2021, the Company, under Section 436A, appointed Daniel Woodhouse and Nathan Stubing of FTI Consulting, Level 47, 152 – 158 St Georges Terrace, PERTH WA 6000, as Joint and Several Administrators of the Company.
2. Notice is now given that a first meeting of the creditors of the Company will be virtually held at **11:00 am (AWST) on Thursday, 25 March 2021** at FTI Consulting, via teleconference facilities.
3. The purpose of the meeting is to determine:
 - (a) Whether to appoint a committee of inspection; and
 - (b) If so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - (a) Remove the administrator(s) from office; and
 - (b) Appoint someone else as administrator(s) of the Company.

Dated this 17th day of March 2021



.....
C/- FTI Consulting

Daniel Woodhouse

Joint and Several Administrator

Level 47,

152-158 St Georges Terrace

PERTH WA 6000

**FORM - APPOINTMENT OF PROXY
CARBONCOR AUSTRALIA PTY LTD ACN 625 525 895
(ADMINISTRATORS APPOINTED)
("THE COMPANY")**

I/We (name)

.....

of (address)

.....

a creditor of the Company, appoint (add name and address of proxy)

.....

or in his/her absence (add alternate proxy)

as my/our general proxy OR special proxy to vote at the meeting of creditors to be virtually held at **11:00 am (AWST) on Thursday, 25 March 2021**, via teleconference facilities or at any adjournment of that meeting.

Voting instructions - for special proxy only	For	Against	Abstain
Resolution			
1. To appoint a committee of inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To remove the Administrators and appoint someone else as administrator(s) of the above company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated:

.....
Name and signature of authorised person

.....
Name and signature of authorised person

CERTIFICATE OF WITNESS – only complete if the person given the proxy is blind or incapable of writing.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Dated: Signature of witness:

Description: Place of residence:



FORM 535 – FORMAL PROOF OF DEBT OR CLAIM

Subregulation 5.6.49(2) Corporations Act 2001

CARBONCOR AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) ACN 625 525 895

To the Administrators of Carboncor Australia Pty Ltd (Administrators Appointed) ACN 625 525 895 (the "Company")

1. This is to state that the Company was on 15 March 2021, and still is, justly and truly indebted to: _____

(full name, ABN and address of the creditor and, if applicable, the creditor's partners) for _____ dollars and _____ cents

Particulars of the debt are:

Date	Consideration (state how the debt arose)	Amount (\$/c)	Remarks (include details of voucher substantiating payment)

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

(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount (\$/c)	Due Date

3. Signed by (select correct option):

- I am the creditor personally.
- I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature: _____ Dated: _____

Name: _____ Occupation*: _____

Address: _____

* If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor

RECEIVE REPORTS BY EMAIL	Yes	No
Do you wish to receive all future reports and correspondence from our office via email?	<input type="checkbox"/>	<input type="checkbox"/>
Email:.....		

If being used for the purpose of voting at a meeting:

- a) Is the debt you are claiming assigned to you? No Yes
- b) If yes, attach written evidence of the debt, the assignment and consideration given. Attached
- c) If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$ _____
- d) If yes, are you a related party creditor of the Company? (f you are unsure contact the Administrator) No Yes



GUIDANCE NOTES FOR COMPLETING PROXY AND PROOF OF DEBT OR CLAIM FORMS

APPOINTMENT OF PROXY FORM

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the creditor is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of Proxy in accordance with section 127 of the Corporations Act 2001 (“the Act”). Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish appoint the Chairperson of the Meeting as your proxy. The Chairperson can be appointed as a general proxy or a special proxy. This is entirely your choice.

FORMAL PROOF OF DEBT OR CLAIM FORM

The proof of debt submitted during an Administration is used for voting purposes at any meetings of creditors and also to help establish the overall level of creditor claims in the administration.

Admission of your proof for voting purposes does not mean that the Administrator has agreed with your proof for the purpose of making a dividend distribution.

You should include a description of how your debt/claim arose, whether you are claiming a security interest in property and if you have any guarantees and indemnities for the debt. If you need more space, you can attach any additional details you wish to include – just make sure that you mention this on the form so we know what you’ve attached and how many pages.

You should provide supporting documents that substantiate what you are owed by the Company. This may include things like account statements, unpaid invoices and their corresponding purchase orders, PPSR registration, agreements/terms of trade, contracts, lease or hire agreements, court order or judgment, guarantee or loan document, emails/other correspondence with the Company.

If you need help in completing the forms or if you are uncertain what information you should attach, please email or telephone the nominated FTI Consulting contact person.

INITIAL ADVICE TO CREDITORS – BASIS OF ADMINISTRATORS' REMUNERATION

REMUNERATION METHODS

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

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.

Fixed fee

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

Percentage

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

Contingency

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

METHOD PROPOSED

We propose that our remuneration is calculated on a time basis. We believe this method is appropriate as it ensures that only the actual work performed is charged for. There are also various tasks required to be completed which do not involve the realisation of assets, such as reporting to ASIC, undertaking investigations, corresponding with creditors and answering their queries, and completing other statutory tasks required by law.

ESTIMATE OF REMUNERATION FOR THE VOLUNTARY ADMINISTRATION

We estimate our remuneration for undertaking the administration will be approximately \$25,000 to \$50,000 (exclusive of GST), subject to the following variables which may have a significant effect on this estimate and that we are unable to determine until the voluntary administration has commenced:

- The full scope and extent of necessary work (from experience, unforeseen matters typically arise and may require us to perform additional work beyond that currently anticipated).

Prior to our appointment, we provided an estimate of the cost of the administration to the director. We have received an up-front payment to contribute to the estimated costs of the administration of \$15,000 from the director and the balance of \$10,000 is payable no later than 31 March 2021. This has been disclosed in our declaration of relevant relationships and indemnities.

Approved remuneration may exceed the amount of this amount and can be discussed to be paid from the assets of the voluntary administration after approval by creditors or the Court.

EXPLANATION OF HOURLY RATES

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

DISBURSEMENTS

Disbursements are divided into three types:

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

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

We are required to obtain creditors' approval for the payment of internal disbursements which were not charged at cost (and which may therefore have a profit or advantage attached to them), prior to these disbursements being paid from the administration. These disbursements typically would include internal photocopying, printing and facsimile costs. However, as we do not charge our external administrations for internally-generated FTI disbursements where they have not been charged at cost (such as photocopying and printing charges for the use of internal photocopiers, printers etc), creditor approval is not required.

Details of the basis of recovering internal and external disbursements in this administration are provided in the table below. Full details of any actual costs incurred will be provided with future reporting.

FTI Disbursements Schedule

Disbursement type	Charge Type	Charge Rate (excl GST)
Advertising	External, non-professional	At cost
ASIC Industry Funding Model Levy – metric events	External, non-professional	At cost (at prescribed ASIC rates)
Couriers and deliveries	External, non-professional	At cost
Data Room Charges	External, professional	At cost
Facsimile	Internal (FTI)	Not charged
Legal Fees	External, professional	At cost
Postage	External, non-professional	At cost
Photocopying – internal	Internal (FTI)	Not charged
Photocopying – outsourced	External, non-professional	At cost
Printing – internal	Internal (FTI)	Not charged
Printing – outsourced	External, non-professional	At cost
Records costs – storage, destruction, boxes	External, non-professional	At cost
Search fees	External, non-professional	At cost
Staff motor vehicle use - mileage	Cents per km	At prescribed ATO rates
Staff travel - accommodation, meals etc	External, non-professional	At cost
Stationery and other incidental disbursements	External, non-professional	At cost
Telephone	Internal (FTI)	Not charged
Valuation Fees	External, professional	At cost
Other externally provided professional services		At Cost
Other externally provided non-professional services		At Cost

FTI Consulting schedule of rates effective 1 April 2020

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	720	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	660	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	580	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	520	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	470	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	430	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	390	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	360	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	335	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	220	Undergraduate in the latter stage of their university degree.
Administration 2	220	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	170	Undergraduate in the early stage of their university degree.
Administration 1	185	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

* All rates listed above are exclusive of GST

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

CARBONCOR AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED)

ACN 625 525 895

(“THE COMPANY”)

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Company and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect of ourselves, our fellow Senior Managing Directors/Managing Directors, FTI Consulting (Australia) Pty Ltd (FTI Consulting or Firm) and associated entities.

We are Professional Members of the Australian Restructuring Insolvency and Turnaround Association (ARITA). We acknowledge that we are bound by the ARITA Code of Professional Practice.

Independence

We have assessed our independence and we are not aware of any reasons that would prevent us from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

Circumstances of appointment

How we were referred this appointment

This appointment was referred to FTI Consulting by Dan Butler of Jackson McDonald, who are the lawyers for the Company.

We believe that this referral does not result in us having a conflict of interest or duty because:

- Jackson McDonald refers insolvency-related engagements to FTI Consulting from time to time. Neither the Administrators nor FTI Consulting have any formal or informal referral arrangements with Jackson McDonald, and to our knowledge they do not exclusively refer such work to us or FTI Consulting.

- FTI Consulting is not reliant upon referrals from Jackson McDonald, who are one of a considerable number of firms, organisations and persons who refer work to, or seek advice from, FTI Consulting. This engagement is not financially significant to FTI Consulting and the receiving or otherwise of other referrals from Jackson McDonald is not material to FTI Consulting.
- Work referrals arising from networks of business professionals, advisors and other persons are normal and accepted arrangements, and do not inherently impact on us discharging our statutory duties and obligations with independence and impartiality.
- There is no expectation, agreement or understanding between the Administrators and the referrer about the conduct of this administration and we are free to act independently and in accordance with the law and the requirements of the ARITA Code of Professional Practice.
- While FTI Consulting has in the past engaged Jackson McDonald to provide legal advice, this has been for separate, non-related insolvency/restructuring engagements. Jackson McDonald is one of many external firms who provide such advice and assistance to FTI Consulting from time to time, which is on a non-exclusive basis and based upon professional service and expertise.

We had the following meetings, telephone calls and email exchanges with the Company, its director and solicitor:

- On 3 March 2021, Nathan Stubing was approached by Dan Butler of Jackson McDonald, with the intention of arranging a meeting with the Company's Director, Andre Van Zyl to discuss the Company's financial position and a potential insolvency appointment.
- On 4 March 2021, Mr Stubing had a telephone meeting with Mr Van Zyl. The purpose of this meeting was to:
 - obtain sufficient information about the Company to enable discussion around the financial position of the Company
 - explain the various forms of insolvency appointments, the options available, and the consequences of an insolvency appointment
 - outline the process following an insolvency appointment
- Between 4 March 2021 and 14 March 2021, Mr Stubing had phone and email exchanges with Mr Van Zyl regarding the process of placing the Company into voluntary administration and in order to provide order to consent act.
- On 15 March 2021, Mr Van Zyl executed appointment documents, placing the Company into voluntary administration.

We received no remuneration for this advice.

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

- The Courts and relevant professional bodies 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 is an impediment to accepting the appointment.
- The nature of the advice provided to the Company is such that it would not be subject to review and challenge during the course of our appointment.
- No advice has been given to the director in their capacity as director of the Company, or in relation to their personal circumstances.

- The pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the appointment as Administrators of the Company in an objective and impartial manner.

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

Declaration of Relationships

Within the previous 2 years we or our firm have had a relationship with:

The Company	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
The directors	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Any associates of the Company?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
A former insolvency practitioner appointed to the Company?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
A secured creditor entitled to enforce a security over the whole or substantially the whole of the Company's property?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Do we have any other relationships that we consider are relevant to creditors assessing our independence?

Yes No

Indemnities and up-front payments

We have been provided with the following up-front payment:


Name	Relationship with the Company	Nature of indemnity or payment
Andre Van Zyl	Director	We have been provided with an up-front payment of \$15,000 to cover our remuneration and expenses associated with our appointment to the Company and a further \$10,000 is expected to be received no later than 31 March 2021. The funds were paid into our Firm's trust account and will be transferred to the administration account. The funds will not be

drawn to pay our remuneration until its has been approved by creditors of the Company or otherwise in accordance with the law.

There are no conditions on the conduct or outcome of this administration attached to the indemnity or the up-front payment.

This does not include any indemnities I may be entitled to under the law. We have not received any other indemnities or upfront payments.

Dated 16 March 2021



Nathan Thomas Kirkham Stubing



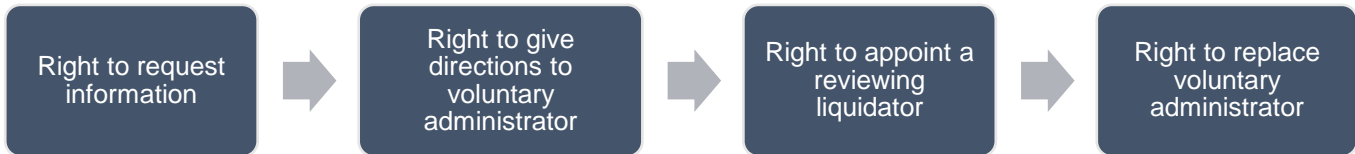
Daniel Hillston Woodhouse

Notes:

- 1. The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.*
- 2. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 or Bankruptcy Act and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.*

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



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

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

This is **Information Sheet 39 (INFO 39)** 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 10:57