

17 November 2022



Evolution Traffic Management Pty Ltd

(Subject to Deed of Company
Arrangement)

ACN 638 495 691 (“the Company”)

REPORT AND PROPOSAL TO CREDITORS

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I refer to the appointment of Kelly-Anne Trenfield, John Park, and I, Joanne Dunn, as Voluntary Administrators of the Company on 17 March 2022 and our subsequent appointment as Deed Administrators on 21 June 2022.

The purpose of this report is to

- Provide an update on our appointment;
- Notify creditors of our intention to declare a dividend and calling for all creditors to submit their Formal Proof of Debts; and
- Seek approval from creditors of the following:
 - Remuneration of \$323,816.50 (exclusive of GST) for the period 16 May 2022 to 21 June 2022 as outlined in my Remuneration Approval Report at **Appendix 1**.
 - Remuneration of \$135,259.00 (exclusive of GST) for the period 22 June 2022 to 31 October 2022 as outlined in my Remuneration Approval Report in **Appendix 1**.
 - Future remuneration to the conclusion of the DOCA to a capped amount of \$150,000 (exclusive of GST).

Attached at Appendix 1 is the detailed Remuneration Approval Report on the cost of the Voluntary Administration and Deed Administration and the tasks we have undertaken, which supports our claims. We propose our remuneration and disbursements be approved by way of a proposal without meeting process, which will save time and costs of convening a meeting of creditors. Further information regarding proposals is detailed below. We are unable to pay remuneration and disbursements without the approval of creditors or the court.

1. Participating in the proposals

Under the *Corporations Act 2001*, a Deed Administrator is able to obtain resolutions of creditors without holding a meeting of creditors, known as a proposal without meeting. An information sheet on “proposals without a meeting” is included at **Appendix 2**.

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, as long as not more than 25% in value objected to the proposal being resolved without a meeting.

To participate in the proposals, please complete and return the following by no later than 9 December 2022:

- The “proposal without a meeting” form/s included at **Appendix 3**.
- The “proof of debt” form included at **Appendix 4** which provides information about what the Company owes you, along with supporting documents for your claim.

The documents can be emailed to sam.dennis@fticonsulting.com or returned via post to my firm’s address, attention Sam Dennis. If you choose to return these documents via post, please ensure you allow enough time for me to receive them by the due date.

2. Update on the progress of the Deed of Company Arrangement

2.1. Report to Creditors dated 23 May 2022

In our Report to Creditors dated 23 May 2022, we estimated the following return to the various classes of creditors in the event a DOCA was executed:

Class of Creditor	Deed Fund Pool \$	Cents in dollar return	Timing
Priority creditors – Class 1	625,500	100 cents/\$	1 – 3 months
Ordinary trade creditors – Class 2	160,000	Nil – 46 cents/\$	3 – 4 months
Ordinary unsecured creditors – Class 3	120,000	Nil – 22 cents/\$	3 – 4 months
Other ordinary unsecured creditors – Class 4	120,000 ¹	Nil – 21 cents/\$	3 – 4 months

¹ If there remains a Deed Fund surplus following the payments above, then the surplus will be applied against Class 4 creditors.

Priority creditors include amounts payable in respect of:

- Wages, superannuation and superannuation guarantee charge outstanding at the date of appointment of the Administrators; and
- Leave of absence in respect of employees whose employment ceased prior to or during the VA.

The categorisation of creditors into Classes 2 to 4 are as included in the DOCA. These classes have been reproduced at **Appendices 5 to 7**. If your name does not appear in any of the lists, you fall within Class 4.

2.2. Outcomes of second creditors meeting

At the second creditors meeting on 31 May 2022, creditors voted for the Company to execute the DOCA as proposed. The DOCA was executed on 21 June 2022.

2.3. Progress of DOCA

Subsequent to execution of the DOCA on 21 June 2022, control of the business and affairs of the Company was returned to the Directors. The DOCA Proponent paid the DOCA contribution of \$1,025,500 on 23 June 2022.

The Deed Administrators immediately proceeded to finalise trading accounts for the VA and make payment of relevant trading liabilities. The Directors have provided confirmation of the Company's compliance with its Statutory Obligations, as defined in the DOCA.

The DOCA provided for the Company to maintain control of the collectability of debtors, to minimise professional fees of the Deed Administrators. Despite this intention, considerable input has been required of Deed Administration staff to transition control of operations back to the Company, including the following:

- Allocation of debtor receipts and provision of reconciliation workpapers to the debtor financier;
- Performance of detailed reconciliation, documentation, collation, preparation and presentation of invoices/claims in relation to a number of the Company's largest debtors; and
- Data analysis and monitoring of changes to the VA debtors' ledger to ensure correct allocation of debtors.

2.4. Outstanding matters

The Deed Administrators must attend to the following matters prior to finalisation of the DOCA:

- Collection of outstanding debtors;
- Adjudication of proofs of debt; and
- Payment of dividends to all classes of creditors.

We are currently adjudicating on claims and should be in a position to declare a dividend no later than mid January 2023.

The key outstanding item is the collection of remaining debtors. Although debtors available for collection by the Deed Administrators total approx. \$2.6 million, due to our experience in collecting the Company's debtors and the age of the debtor book, it is likely actual realisations will be considerably less. A commercial approach will be adopted in our collection activities.

2.5. Voluntary Administrators' and Deed Administrators' fees and costs

The collection of the debtor book, and other matters discussed below, have caused administration costs to be greater than initially anticipated and approved by creditors. We have, however, exceeded the "High Return" outlined in our report of 23 May 2022. As outlined at section 2.6 below, in addition to the maximum returns being available to Classes 1-3, the funds available to Class 4 creditors is now between \$1.8 million and potentially in excess of \$3 million.

For comparative purposes, in our report dated 23 May 2022, this range was nil to \$2.5 million. Accordingly, the certainty of a minimum dividend of a 13 cents in the dollar return to Class 4 creditors is only available due to the additional work and consequent debtor collections.

The estimate of remuneration for fees approved by creditors at the second creditors meeting was prepared on the following basis:

- The DOCA would be executed shortly after the second meeting of creditors held on 31 May 2022, or at least by 5 June 2022 (actual date of execution was 21 June 2022);
- Control would revert back to the Deed Proponents no later than 6 June 2022;
- The size and extent to which some debtors were problematic was considered mild;

- The Deed Administrators would be able to oversee the staff of the Company complete the debtor collections, rather than be actively involved in debtor collections from each customer.

The following matters, unforeseen at the time of estimating fees, caused the actual costs incurred to be greater than those estimated and approved by creditors:

- In the week leading up to the second creditors meeting and for the first two weeks of June 2022, two Administration staff were required on a full-time basis to locate substantial supporting documentation and to prepare and submit approx. eight months of claims for the Company's second largest customer;
- In the last week of May 2022, the Administrators were advised by the DOCA Proponents of concerns in relation to security held by National Australia Bank ("NAB") resulting in the delay of execution of the DOCA until the last day legally permissible, being 21 June 2022;
- The security concerns caused considerable additional dealings with the Administrators' legal advisors, the DOCA Proponents, legal and financial advisors of the DOCA Proponents and NAB and its legal advisors;
- Two weeks additional trading of the business of the Company;
- In early August 2022, two Administration staff were required on a full-time basis to travel to the Sydney depot of ETM to locate supporting documentation and to prepare and submit approx. three months of claims for a top five customer of the Company;
- Subsequent to execution of the DOCA and control of the Company being returned to the Directors, Deed Administration staff were required to be considerably involved in the ongoing allocation of daily receipts, liaison with the debtor financier, monitoring, oversight and management of debtor collections.

Accordingly, we are now seeking further fee approval by means of proposal without meeting.

2.6. Updated return to creditors

The table below compares the actual/anticipated return to creditors to those estimated in our report dated 23 May 2022.

Return to creditors

Class of Creditor	Notes	Report dated 23 May 2022	Update	
			Return	Fund Pool \$
Class 1 - Priority creditors	1	100 cents/\$	100 cents/\$	637,000
Class 2 - Trade creditors	2	Nil – 46 cents/\$	46 cents/\$	160,000
Class 3 - Ordinary unsecured creditors	3	Nil – 22 cents/\$	22 cents/\$	120,000
Class 4 - Other ordinary unsecured creditors	4	Nil – 21 cents/\$	13 cents/\$	1,800,000

2.5.1 Notes

1. *Class 1 - Priority creditors*

The following payments have been made to priority creditors:

Payment date	Category	Amount
6 October 2022	Superannuation Guarantee Charge (outstanding superannuation March 2022 quarter)	\$545,179.87
15 November 2022	Outstanding wages, associated leave, tax and superannuation	\$16,469.36

As required by law, the payment of superannuation guarantee charge was made to the Australian Taxation Office (“ATO”), not to individual superannuation funds. Please allow the ATO at least six weeks to allocate and distribute payments before checking with your superannuation fund.

Subject to receipt of verification information from the Company, we anticipate making payment of the remaining priority claims (approx. \$75,000) within the next week. Please note, for all wages and leave paid to employees as priority claims in FY23, your income statement will be available on your myGov portal in due course.

2. *Class 2 - Ongoing trade creditors*

In our report dated 23 May 2022, we estimated a return to Ongoing trade creditors (“Class 2”) of between nil and 46 cents in the dollar. Although I am yet to receive proofs of debt from all members of Class 2 and hence the total value of creditors in Class 2 is yet to be finalised, I can confirm the pool of funds available to Class 2 creditors is the full amount estimated in our report of \$160,000.

Accordingly, depending on the level of claims received for Class 2, the anticipated distribution is estimated at 46 cents in the dollar. Subject to adjudication of proofs of debt, I am likely to be in a position to make payment to Class 2 creditors no later than January 2023.

3. *Class 3 - Ordinary unsecured creditors*

In our report dated 23 May 2022, we estimated a return to Ordinary unsecured creditors (“Class 3”) of between nil and 22 cents in the dollar. Although I am yet to receive proofs of debt from all members of Class 3 and hence the total value of creditors in Class 3 is yet to be finalised, I can confirm the pool of funds available to Class 3 creditors is the full amount estimated in our report of \$120,000.

Accordingly, depending on the level of claims received for Class 3, the anticipated distribution is estimated at 21.77 cents in the dollar. Subject to adjudication of proofs of debt, I am likely to be in a position to make payment to Class 3 creditors no later than January 2023.

4. *Class 4 - Other ordinary unsecured creditors*

In our report dated 23 May 2022, we estimated a return to Other ordinary unsecured creditors (“Class 4”) of between nil and 21 cents in the dollar. Although I am yet to receive proofs of debt from all members of Class 4 and hence the total value of creditors in Class 4 is yet to be finalised, I can confirm the pool of funds available to Class 4 creditors is at least \$1.8 million and subject to further debtor collections, could be in excess of \$3 million.

For comparative purposes, our report dated 23 May 2022 estimated the pool available to Class 4 creditors would range from nil to \$2.5 million.

Accordingly, depending on the level of claims received Class 4, the anticipated distribution is estimated at a minimum of 13 cents in the dollar. Please note, the level of claims received in Class 4 has been approx. 14% higher than originally anticipated. Subject to adjudication of proofs of debt, I am likely to be in a position to make payment to Class 4 creditors no later than mid-January 2023.

3. Notice of intention to declare a dividend

Subject to the finalization of collection of debtors and the approval of my remuneration, the other outstanding item in the Deed of Company Arrangement is payment of a dividend to the remaining priority creditors and to the differing classes of unsecured creditors.

Accordingly, included at **Appendix 4** is a:

- Notice of intention to declare a dividend; and
- Formal proof of debt or claim form.

In order to participate in the dividend, you must provide a completed formal proof of debt and supporting documents by **9 December 2022**, otherwise you may be excluded from the benefit of a dividend.

4. What to do next

You should now:

- read my report and **attached** information;
- contact my office if you require any further detail or specific queries;
- determine if and how you are going to vote on the proposal; and
- complete and return your proposal voting form and proof of debt by 9 December 2022.

Should you have any queries, please contact Sam Dennis of this office on 07 3225 4922 or by email at sam.dennis@fticonsulting.com.

Yours faithfully



Joanne Dunn

Deed Administrator

Annexures:

Appendix 1 – Remuneration Approval Report

Appendix 2 – ARITA Proposal Information Sheet

Appendix 3 – Proposal notices and voting forms

Appendix 4 – Notice of intention to declare a dividend and Formal Proof of Debt Form

Appendix 5 – Class 2 creditors

Appendix 6 – Class 3 creditors

Appendix 7 – Class 4 creditors

17 November 2022



Remuneration Approval Report

Evolution Traffic Management Pty Ltd
(Subject to Deed of Company Arrangement)
ACN 638 495 691

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Summary

This remuneration approval report provides you with the information the *Corporations Act 2001* (“the Act”) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration (“VA”) and Deed of Company Arrangement (“DOCA”) of Evolution Traffic Management Pty Ltd (Subject to Deed of Company Arrangement) ACN 638 495 691 (“the Company”).

We are asking creditors to approve the following remuneration and disbursements:

Appointment type/Period	Remuneration (excl GST)	Disbursements (excl GST)
Voluntary Administration – 16 May 2022 to 21 June 2022	\$323,816.50	\$0.00
Deed of Company Arrangement – 22 June 2022 to 31 October 2022	\$135,259.00	\$0.00
Deed of Company Arrangement – 1 November 2022 to effectuation	\$150,000.00	\$0.00
Total	\$609,075.50	\$0.00

Creditors have previously approved our remuneration and disbursements as follows:

Appointment type/Period	Remuneration (excl GST)	Disbursements (excl GST)
Voluntary Administration – 17 March 2022 to 15 May 2022	\$1,380,968.50	\$1,507.82
Voluntary Administration – 16 May 2022 to finalisation of VA	\$490,000.00	\$2,000.00
Deed of Company Arrangement – 22 June 2022 to effectuation	\$400,000.00	\$1,000.00
Total	\$2,270,968.50	\$4,507.82

Accordingly, the total remuneration and disbursements sought in relation to the VA and DOCA of the Company is as follows:

Appointment type/Period	Remuneration (excl GST)	Disbursements (excl GST)
Voluntary Administration – 17 March 2022 to 15 May 2022	\$1,380,968.50	\$1,507.82
Voluntary Administration – 16 May 2022 to finalisation of VA	\$813,816.50	\$2,000.00
Voluntary Administration total	\$2,194,785.00	\$3,507.82
DOCA – 22 June 2022 to 31 October 2022	\$535,259.00	\$1,000.00
DOCA – 1 November 2022 to effectuation	\$150,000.00	\$0.00
DOCA Total	\$685,259.00	\$1,000.00
Total remuneration	\$2,880,044.00	\$4,507.82

The total cost of the Voluntary Administration is \$2,194,785. This increased by \$323,816.50 from our previous estimate of \$1,870,968.50. The cost for the DOCA as at 31 October 2022 is \$535,259. This amount has increased by \$135,259 from our initial estimate of \$400,000.

Reasons for these increased costs are set out in our Report and Proposal to Creditors which this Remuneration Approval Report is annexed to and summarised below:

- The second Meeting of Creditors was held on 31 May 2022; at the time of calculating our estimated remuneration and following discussions with the DOCA proponent, execution of the DOCA was anticipated to occur immediately after approval was obtained from creditors at this meeting.
- The unanticipated delay in executing the DOCA was caused by:
 - The DOCA Proponents and associated Consortium finalising their review of their financing requirements and options.
 - The DOCA Proponents and associated Consortium completing a separate refinance so to contribute to the Deed Fund.
- The delay resulted in the following additional work:
 - Additional negotiation and liaison with the DOCA Proponents and their advisors.
 - Trading and controlling the Company for additional two weeks than initially anticipated.
 - Continuing to progress debtor collections and reporting to the debtor financier regarding collections.
- An extensive debtor reconciliation exercise was conducted for one of the Company's largest debtors which was completed between 25 May 2022 and 10 June 2022. At the time of calculating our estimated remuneration, we were not aware this reconciliation was required.
- To assist with preparing a large quantum of invoices for another of the Company's large debtors, two Deed Administration staff were required to travel to Sydney to assist employees of the Company implement more efficient invoicing processes and assist with data entry as required by the debtor.

- Due to the complex and manual nature of daily receipt allocations, handing over this task to Company staff occupied more time than anticipated.
- Greater support and guidance than anticipated was provided to the Company throughout the DOCA period to assist with an effective transition.

Further, we estimate the total cost of the Deed of Company Arrangement will be no greater than \$685,259, \$150,000 of which relates to 1 November 2022 to effectuation of the DOCA. Please note this amount is a maximum; if less time is actually incurred, the lesser amount will be charged.

This is our final remuneration approval request for the Voluntary Administration of the Company. The same is likely for the finalisation of the DOCA, assuming there are no unforeseen circumstances which prolong the duration of its effectuation.

Declaration

We, Joanne Dunn, John Park, and Kelly-Anne Trenfield, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Administrators and Deed Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, the disbursements which have been incurred in the conduct of the external administration are necessary and proper.

Remuneration sought

The remuneration we are asking creditors to approve is summarised as follows:

For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
Work already completed	16 May 2022 to 21 June 2022	\$323,816.50	As per the attached hourly rates in Schedule F	Immediately
Voluntary Administration Total		\$323,816.50		
Work already completed	22 June 2022 to 31 October 2022	\$135,259.00	As per the attached hourly rates in Schedule F	Immediately
Future work to effectuate DOCA	1 November 2022 to Effectuation	\$150,000.00	As per the attached hourly rates in Schedule F	At the end of the DOCA
DOCA Total		\$285,259.00		
Total Remuneration Sought		\$609,075.50		

Details of the work already done and future work we intend to do are **enclosed** at **Schedule A**.

Schedule B and **Schedule C** include a breakdown of time spent by staff members on each major task for work we have already done, split into the VA period and DOCA period.

Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proposal form provided to you.

Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 21 March 2022.

We are not currently seeking approval for disbursements.

Previous remuneration approvals

The following remuneration approvals have previously been provided by creditors:

Period	For	Approving body	Approved amount \$	Amount paid \$
17 March 2022 to 15 May 2022	Work already completed	Creditors	\$1,380,968.50	\$1,380,968.50
16 May 2022 to 21 June 2022	Work already completed	Creditors	\$490,000.00	\$490,000.00
Voluntary Administration Total			\$1,870,968.50	\$1,870,968.50
22 June 2022 to Effectuation	Future work	Creditors	\$400,000.00	\$400,000.00
DOCA Total			\$400,000.00	\$400,000.00
Total remuneration previously approved			\$2,270,968.50	\$2,270,968.50

We are now seeking approval of a further \$609,075.50 in remuneration which will bring total remuneration claimed in the Voluntary Administration and Deed of Company Arrangement to \$2,880,044.

Likely impact on dividends

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

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Deed of Company Arrangement
- the estimated total of creditor claims based on the Company's records and claims lodged

we estimate a dividend of between 13 and 100 cents in the dollar will be paid in the Deed of Company Arrangement, depending in which class a creditor is classified. Please note, in addition to the creditors' class, this estimate is subject to a range of variables, particularly the adjudication and payment of creditor claims.

The Voluntary Administrators forecasted an unsecured creditor DOCA fund in the range of nil to \$2.4 million in their Report to Creditors dated 23 May 2022. Based on our revised calculations at 31 October 2022, this position has improved to a minimum unsecured pool of \$2.1 million with an optimistic upside of approx. \$3 million. On this basis, there is no prejudice to creditors based on what they resolved to approve at the meeting held on 31 May 2022.

Summary of receipts and payments

A summary of the receipts and payments for the Voluntary Administration and Deed of Company Arrangement as at 31 October 2022 is **enclosed** at Schedule E to this report.

Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

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

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

If you have any queries in relation to the information in this report, please contact Sam Dennis of this office on (07) 3225 4922 or by email at sam.dennis@fticonsulting.com.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Joanne Dunn', with a large, stylized initial 'J'.

Joanne Dunn

Deed Administrator

Attachments:

Schedule A – Details of work

Schedule B – Time spent by staff on each major task during the VA (work already done)

Schedule C – Time spent by staff on each major task during the DOCA (work already done)

Schedule D – Resolutions

Schedule E – Summary of receipts and payments

Schedule F – FTI Consulting schedule of rates effective 1 July 2021

Schedule A – Details of work

Task area/General description	Work already done to finalise Voluntary Administration	Work already done from the Execution of the DOCA to 31 October 2022	Future work to DOCA effectuation
Period	16 May 2022 to 21 June 2022	22 June 2022 to 31 October 2022	1 November to effectuation of DOCA
Amount \$ (excl GST)	\$323,816.50	\$135,259.00	\$150,000.00
Assets	8.20 hours \$5,138.00	72.10 hours \$35,984.50	\$15,000
Plant & equipment	■ Review of Company records and enquiries with Company concerning plant and equipment owned by the Company		
Real Estate	■ Ongoing discussions with landlords concerning ongoing and new rental arrangements as required ■ Undertook work required concerning ongoing occupation of premises during the VA period	■ Undertook work required concerning ongoing occupation of premises contemplated by the DOCA	
Debtors	■ Reviewing Company books and records to determine debtors outstanding ■ Liaising with EarlyPay/Cashflow Finance regarding debtors and registered security interest for debtor factoring facility ■ Identification of pre and post appointment debtors for the purposes of reporting to EarlyPay on collections ■ Extensive debtor reconciliation task in relation to a large number and quantum of pre-appointment and post appointment invoices for large customer	■ Ongoing correspondence with debtors ■ Reviewing and assessing debtors' ledgers ■ Receipting debtor monies ■ Reporting to EarlyPay on collections ■ Preparation of handover information concerning debtors post DOCA execution ■ Assisting billing team with creating debtor ledger model and implementing debtor collection controls and processes ■ Attend regular and numerous meetings with Evolution team regarding collection of debtors.	■ Assistance concerning debtor collection as required to enable effectuation of DOCA ■ Receipting debtor monies

Task area/General description	Work already done to finalise Voluntary Administration	Work already done from the Execution of the DOCA to 31 October 2022	Future work to DOCA effectuation
	■ Thorough search for supporting documents to be matched with pre-appointment and post appointment invoices ■ Receipting debtor monies ■ Attend regular and numerous meetings with Evolution team regarding collection of debtors. ■ Implementing trading controls to facilitate prompt collection of aged debtors		
Creditors	83.70 hours \$40,612.00	35.10 hours \$16,945.50	\$15,000
Creditor Enquiries, Requests & Directions	■ Receive and respond to creditor enquiries ■ Maintaining call register ■ Preparation of further correspondence to creditors including the second report to creditors ■ Responding to queries via email and telephone ■ Attending to enquiries relating to the second creditors meeting	■ Receive and respond to creditor enquiries ■ Maintaining call register ■ Responding to queries via email and telephone	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■
Secured creditor reporting	■ Preparing reports to secured creditor ■ Responding to secured creditor's queries	■ Responding to secured creditor's queries	■ Responding to secured creditor's queries
Creditor reports	■ Detailed information provided to all employee and trade creditors on meeting process via virtual facilities ■ Distribution of correspondence via email and mail	■ Preparing update report to creditors	■ Finalising update report to creditors ■ Preparation and issue of circular to creditors concerning DOCA effectuation

Task area/General description	Work already done to finalise Voluntary Administration	Work already done from the Execution of the DOCA to 31 October 2022	Future work to DOCA effectuation
Dealing with proofs of debt	■ Receipting and filing POD when not related to a dividend ■ Contacting creditors to assist in meeting registration and attendance process where POD not lodged	■ Receipting and filing POD when not related to a dividend ■ Dealing with PODs as required for DOCA	■ Receipting and filing POD when not related to a dividend ■ Dealing with PODs as required for DOCA
Meeting of Creditors	■ Preparation of meeting notices, proxies and advertisements ■ Preparation of detailed process document for requirements to attend meeting ■ Forward notice of meeting to all known creditors via email and mail ■ Preparation of second creditor meeting file, including agenda, certificate of posting of notice of meeting, attendance register, list of creditors, reports to creditors, advertisement of meeting, draft minutes of meeting, meeting slides, polling spreadsheet if required. ■ Tailoring webinar parameters on Zoom to ensure a smooth second creditor meeting including test meeting with engagement team to test QR codes and other documentation and meeting facilities are in working order with settings in Zoom ■ Preparation and lodgement of minutes of meetings with ASIC ■ Send meeting minutes to creditors on request ■ Holding second meeting of creditors ■ Responding to queries received prior to the meeting ■ Responding to stakeholder queries and questions following meeting	■ Preparation and lodgement of minutes of meeting with ASIC ■ Send meeting minutes to creditors on request ■ Responding to stakeholder queries and questions immediately following meeting ■ Any tasks incidental to holding a creditor meeting for variation or termination of DOCA, if required	

Task area/General description	Work already done to finalise Voluntary Administration	Work already done from the Execution of the DOCA to 31 October 2022	Future work to DOCA effectuation
Proposals to Creditors		■ Preparing proposal notices and voting forms	■ Finalising proposal notices and voting forms ■ Receipting voting forms in relation to proposals ■ Forward notice of proposal to all known creditors ■ Reviewing votes and determining outcome of proposal ■ Preparation and lodgement of proposal outcome with ASIC
Employees	16.70 hours \$7,188.00	43.80 hours \$17,614.00	\$15,000
Employee enquiries	■ Receive and follow up employee enquiries via telephone and email ■ Review and prepare correspondence to employees including entitlements circular ■ Issuing correspondence via email and post ■ Liaising with employees concerning their entitlements, termination and resignation queries ■ Dealing with outstanding employee issues which remained on foot at appointment date ■ Liaising with legal representatives of employees and the Company to resolve outstanding employee matters ■ Conduct virtual town hall meeting three times per week to discuss employee issues and queries ■ Converse directly with employees regarding specific employee queries and issues	■ Receive and follow up employee enquiries via telephone and email ■ Review and prepare correspondence to employees including entitlements circular ■ Issuing correspondence via email and post ■ Liaising with employees concerning their entitlements, termination and resignation queries ■ Dealing with outstanding employee issues which remained on foot at appointment date ■ Converse directly with employees regarding specific employee queries and issues ■ Calculating employee entitlements owed at the date of appointment	■ Receive and follow up employee enquiries via telephone ■ Liaising with employees concerning their entitlements, termination, and resignation queries ■ Converse directly with employees regarding specific employee queries and issues ■ Preparation of letters to employees advising of their entitlements and options available

Task area/General description	Work already done to finalise Voluntary Administration	Work already done from the Execution of the DOCA to 31 October 2022	Future work to DOCA effectuation
	■ Calculating employee entitlements owed at the date of appointment ■ Work closely with HR and payroll staff concerning employee issues and staff onboarding and offboarding and transition of employees in DOCA		
Calculation of entitlements	■ Calculating employee entitlements ■ Reviewing employee files and company's books and records ■ Reconciling superannuation accounts ■ Reviewing awards, national employment standard and EBAs ■ Liaising with solicitors regarding entitlements where required	■ Calculating employee entitlements ■ Reviewing employee files and company's books and records ■ Reconciling superannuation accounts ■ Reviewing awards, national employment standard and EBAs	■ Correspondence to employees concerning their entitlements and impact of DOCA ■ Calculating entitlements accrued in Voluntary Administration period ■ Draft and review correspondence concerning entitlements
Employee dividend		■ Correspondence with employees regarding funds to be paid with respect to their entitlements per the DOCA proposal ■ Correspondence with ATO regarding SGC proof of debt and payments as part of DOCA proposal with respect to SGC ■ Calculating dividend rate ■ Preparing dividend file ■ Preparing distribution ■ Receipting POD ■ Adjudicating POD ■ Ensuring PAYG is remitted to ATO	■ Correspondence with employees regarding funds to be paid with respect to their entitlements per the DOCA proposal ■ Correspondence with ATO regarding SGC proof of debt and payments as part of DOCA proposal with respect to SGC ■ Calculating dividend rate ■ Preparing dividend file ■ Preparing distribution ■ Receipting POD ■ Adjudicating POD ■ Ensuring PAYG is remitted to ATO
Workers compensation	■ Ongoing liaison with insurers as required for ongoing trade ■ Attending to premium payments and revisions which may be required to	■ Attending to premium payments and revisions which may be required to projected wages in calculation of premiums payable	■ Any tasks incidental to workers compensation required for DOCA

Task area/General description	Work already done to finalise Voluntary Administration	Work already done from the Execution of the DOCA to 31 October 2022	Future work to DOCA effectuation
	- projected wages in calculation of premiums payable ■ Any tasks incidental to workers compensation required for DOCA	■ Any tasks incidental to workers compensation required for DOCA	
Other employee issues	■ Correspondence with Child Support ■ Correspondence with Centrelink ■ Dealing with other incidental employee issues	■ Correspondence with Child Support ■ Correspondence with Centrelink ■ Dealing with other incidental employee issues	■ Correspondence with Child Support ■ Correspondence with Centrelink ■ Dealing with other incidental employee issues
Trade On	534.40 hours \$242,097.50	121.30 hours \$47,371.00	
Trade on management	■ Liaising with Earlypay regarding of Voluntary Administration debtor finance facility ■ Liaising with suppliers concerning trading accounts ■ Liaising with management and staff ■ Attendance on site ■ Monitoring of trading controls ■ Considerable work in maintaining debtor reporting, issuing of invoices and required EarlyPay reporting ■ Authorising purchase orders ■ Maintaining purchase order registry ■ Preparing and authorising receipt vouchers ■ Preparing and authorising payment vouchers ■ Liaising with superannuation funds regarding contributions, termination of employment and resignations ■ Liaising with OSR regarding payroll tax issues	■ Finalising Voluntary Administrator EarlyPay debtor factoring ■ Liaising with suppliers concerning finalisation of trading accounts ■ Liaising with management and staff regarding transition to DOCA and finalisation of trading accounts ■ Considerable work in maintaining debtor reporting, issuing of invoices and required EarlyPay reporting ■ Closing out purchase order register ■ Preparing and authorising receipt vouchers ■ Preparing and authorising payment vouchers ■ Liaising with superannuation funds regarding contributions, termination of employment and resignations ■ Liaising with OSR regarding payroll tax issues	

Task area/General description	Work already done to finalise Voluntary Administration	Work already done from the Execution of the DOCA to 31 October 2022	Future work to DOCA effectuation
Budgeting and financial reporting	■ Reviewing company's cashflow, budgets and financial statements ■ Preparing cashflow on a daily and forecasted basis ■ Preparing at least weekly updates on trading status and critical issues ■ Meetings to discuss trading position		
Investigations	1.80 hours \$900.00		
Conducting investigation	■ Obtaining access to Company systems and contacting multiple external and internal parties to obtain system backups and reports ■ Finalising file note with respect to secured creditors claims		
ASIC reporting	■ Lodgement of ASIC form 530 concerning second meeting of creditors	■ Preparation and lodgement of Form 505 and 5047 ■ Preparation and lodgement of ASIC form 5603	
Dividend		11.20 hours \$3,831.00	\$90,000
Processing proofs of debt (POD)			■ Preparation of correspondence to potential creditors inviting lodgement of POD ■ Receipt of POD ■ Maintain POD register ■ Adjudicating POD ■ Request further information from claimants regarding POD ■ Preparation of correspondence to claimant advising outcome of adjudication

Task area/General description	Work already done to finalise Voluntary Administration	Work already done from the Execution of the DOCA to 31 October 2022	Future work to DOCA effectuation
Dividend procedures			■ Preparation of correspondence to creditors calling for proofs of debt ■ Preparation of dividend calculation ■ Preparation of distribution ■ Preparation of dividend file ■ Preparation of payment vouchers to pay dividend ■ Preparation of correspondence to creditors enclosing payment of dividend
Administration	65.90 hours \$27,881.00	33.50 hours \$13,513.00	\$15,000
Correspondence	■ General correspondence with various parties	■ General correspondence with various parties	■ General correspondence with various parties
Document maintenance/file review/checklist	■ Filing of documents ■ Updating checklist ■ File reviews ■ Internal engagement team meetings	■ Filing of documents ■ Updating checklist ■ File reviews ■ Internal engagement team meetings	■ Filing of documents ■ Updating checklist ■ File reviews ■ Internal engagement team meetings
Insurance	■ Ongoing insurer correspondence as required for trade on and to manage claims and payments required and payments required ■ Dealing with any insurance issues arising in proposed DOCA	■ Ongoing insurer correspondence as required for trade on and to manage claims and payments required and payments required ■ Dealing with any insurance issues arising in proposed DOCA	■ Ongoing insurer correspondence as required for trade on and to manage claims and payments required and payments required ■ Dealing with any insurance issues arising in proposed DOCA
Funds handling	■ Preparing correspondence requesting sweep of funds from pre-appointment to post-appointment account ■ Entering receipts and payments into accounting system ■ Bank account reconciliations	■ Preparing correspondence requesting sweep of funds from pre-appointment to post-appointment account ■ Entering receipts and payments into accounting system ■ Bank account reconciliations	■ Preparing correspondence requesting sweep of funds from pre-appointment to post-appointment account ■ Entering receipts and payments into accounting system ■ Bank account reconciliations

Task area/General description	Work already done to finalise Voluntary Administration	Work already done from the Execution of the DOCA to 31 October 2022	Future work to DOCA effectuation
	■ Correspondence with bank regarding specific transfers and with EarlyPay regarding funding releases	■ Correspondence with bank regarding specific transfers and with EarlyPay regarding funding releases	■ Correspondence with bank regarding specific transfers and with EarlyPay regarding funding releases
ASIC Forms and lodgements	■ Preparing and lodging ASIC forms including 5011 and 530. ■ Correspondence with ASIC regarding statutory forms	■ Preparing and lodging ASIC forms including 505, 5603, 5011 and 911 etc. ■ Correspondence with ASIC regarding statutory forms	■ Preparing and lodging ASIC forms including 505, 5602/5603, 911 etc. ■ Correspondence with ASIC regarding statutory forms
ATO and other statutory reporting	■ Preparing BASs ■ Completing STP reporting obligations	■ Preparing BASs ■ Completing STP reporting obligations	■ Preparing BASs ■ Completing STP reporting obligations
Finalisation			■ Notifying ATO of finalisation ■ Cancelling ABN / GST / PAYG registration ■ Completing checklists ■ Finalising WIP
Planning / Review	■ Discussions regarding status of administration ■ Ongoing review of checklist ■ Internal planning and review meetings	■ Discussions regarding status of administration ■ Ongoing review of checklist ■ Internal planning and review meetings	■ Discussions regarding status of administration ■ Ongoing review of checklist ■ Internal planning and review meetings

Schedule B – Time spent by staff on each major task during the VA (work already done)

16 May 2022 to 21 June 2022 (inclusive)

Employee	Position	\$ /hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area											
					Assets		Creditors		Employees		Trade on		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
John Park	Senior Managing Director	720.00	6.90	4,968.00	-	-	-	-	-	-	-	-	-	-	6.90	4,968.00
Joanne Dunn	Senior Managing Director	720.00	39.50	28,440.00	-	-	3.80	2,736.00	-	-	30.60	22,032.00	-	-	5.10	3,672.00
Kelly-Anne Trenfield	Senior Managing Director	720.00	0.50	360.00	-	-	-	-	-	-	-	-	-	-	0.50	360.00
Renee Lobb	Managing Director	660.00	7.60	5,016.00	0.80	528.00	4.80	3,168.00	-	-	1.40	924.00	0.20	132.00	0.40	264.00
Carla Fairweather	Managing Director	660.00	72.10	47,586.00	-	-	25.70	16,962.00	3.80	2,508.00	42.60	28,116.00	-	-	-	-
Stuart Carson	Managing Director	660.00	6.00	3,960.00	6.00	3,960.00	-	-	-	-	-	-	-	-	-	-
Matthew Glennon	Managing Director	660.00	14.90	9,834.00	-	-	-	-	-	-	11.40	7,524.00	-	-	3.50	2,310.00
Neil Dempster	Senior Director	580.00	76.30	44,254.00	-	-	-	-	-	-	76.30	44,254.00	-	-	-	-
Paris Parasadi	Senior Director	580.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Marco Bozzetto	Director	530.00	1.60	848.00	1.00	530.00	0.60	318.00	-	-	-	-	-	-	-	-
Julian Gowdie	Senior Consultant II	480.00	112.10	53,808.00	-	-	-	-	-	-	104.10	49,968.00	-	-	8.00	3,840.00
Alexa Sutherland	Senior Consultant II	480.00	23.20	11,136.00	-	-	15.20	7,296.00	0.30	144.00	3.40	1,632.00	1.60	768.00	2.70	1,296.00
Brooke Petersen	Consultant II	390.00	62.50	24,375.00	-	-	-	-	-	-	62.50	24,375.00	-	-	-	-
Nicholas Hawthorne	Consultant I	360.00	14.80	5,328.00	-	-	2.20	792.00	12.60	4,536.00	-	-	-	-	-	-
Samuel Dennis	Associate II	335.00	75.50	25,292.50	-	-	-	-	-	-	75.50	25,292.50	-	-	-	-
Isabella Jansen	Associate I	300.00	92.40	27,720.00	-	-	-	-	-	-	92.40	27,720.00	-	-	-	-
Matthew van der Vlugt	Associate I	300.00	45.70	13,710.00	0.40	120.00	18.60	5,580.00	-	-	24.30	7,290.00	-	-	2.40	720.00
Tobias Robinson	Associate I	300.00	21.70	6,510.00	-	-	11.80	3,540.00	-	-	9.90	2,970.00	-	-	-	-
Jaie Lilburne	Treasury	290.00	5.30	1,537.00	-	-	-	-	-	-	-	-	-	-	5.30	1,537.00
Robyn Hardeman	Treasury	290.00	11.00	3,190.00	-	-	-	-	-	-	-	-	-	-	11.00	3,190.00
Yuet Yeng Yee	Treasury	290.00	9.10	2,639.00	-	-	-	-	-	-	-	-	-	-	9.10	2,639.00
Zin Thaya Khin	Treasury	290.00	7.90	2,291.00	-	-	-	-	-	-	-	-	-	-	7.90	2,291.00
Alyse Kent	Treasury	290.00	1.60	464.00	-	-	-	-	-	-	-	-	-	-	1.60	464.00
Ashleigh Ubank	Administration II	220.00	2.50	550.00	-	-	1.00	220.00	-	-	-	-	-	-	1.50	330.00
Total (ex GST)				\$323,816.50		\$5,138.00		\$40,612.00		\$7,188.00		\$242,097.50		\$900.00		\$27,881.00
GST				\$32,381.65												
Total (Incl GST)				\$356,198.15												
Total hours			710.70		8.20		83.70		16.70		534.40		1.80		65.90	
Avg hourly rate (ex GST)				\$455.63		\$626.59		\$485.21		\$430.42		\$453.03		\$500.00		\$423.08

Schedule C – Time spent by staff on each major task during the DOCA (work already done)

22 June 2022 to 31 October 2022 (inclusive)

Employee	Position	\$ /hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area											
					Assets		Creditors		Employees		Trade on		Dividend		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
John Park	Senior Managing Director	720.00	1.10	792.00	-	-	-	-	-	-	-	-	-	-	1.10	792.00
Joanne Dunn	Senior Managing Director	720.00	12.20	8,784.00	-	-	-	-	2.20	1,584.00	6.30	4,536.00	-	-	3.70	2,664.00
Carla Fairweather	Managing Director	660.00	30.30	19,998.00	6.50	4,290.00	16.80	11,088.00	4.80	3,168.00	-	-	-	-	2.20	1,452.00
Matthew Glennon	Managing Director	660.00	15.70	10,362.00	13.10	8,646.00	-	-	0.90	594.00	1.50	990.00	-	-	0.20	132.00
Neil Dempster	Senior Director	580.00	20.70	12,006.00	-	-	0.60	348.00	0.20	116.00	19.80	11,484.00	-	-	0.10	58.00
Julian Gowdie	Senior Consultant II	480.00	41.80	20,064.00	41.50	19,920.00	-	-	-	-	0.30	144.00	-	-	-	-
Brooke Petersen	Consultant II	390.00	34.80	13,572.00	-	-	-	-	-	-	24.50	9,555.00	2.20	858.00	8.10	3,159.00
Nicholas Hawthorne	Consultant I	360.00	7.70	2,772.00	-	-	-	-	7.70	2,772.00	-	-	-	-	-	-
Samuel Dennis	Associate II	335.00	43.00	14,405.00	1.50	502.50	5.70	1,909.50	28.00	9,380.00	-	-	7.80	2,613.00	-	-
Isabella Jansen	Associate I	300.00	52.40	15,720.00	-	-	2.50	750.00	-	-	48.70	14,610.00	1.20	360.00	-	-
Matthew van der Vlugt	Associate I	300.00	1.80	540.00	-	-	0.50	150.00	-	-	0.40	120.00	-	-	0.90	270.00
Tobias Robinson	Associate I	300.00	2.70	810.00	-	-	0.80	240.00	-	-	1.90	570.00	-	-	-	-
Anisa Jaffar	Associate I	300.00	9.20	2,760.00	6.70	2,010.00	0.80	240.00	-	-	-	-	-	-	1.70	510.00
Beau Lyndon	Associate I	300.00	25.40	7,620.00	-	-	7.40	2,220.00	-	-	17.80	5,340.00	-	-	0.20	60.00
Robyn Hardeman	Treasury	290.00	5.40	1,566.00	-	-	-	-	-	-	-	-	-	-	5.40	1,566.00
Yuet Yeng Yee	Treasury	290.00	1.50	435.00	-	-	-	-	-	-	-	-	-	-	1.50	435.00
Zin Thaya Khin	Treasury	290.00	0.90	261.00	-	-	-	-	-	-	-	-	-	-	0.90	261.00
Alyse Kent	Treasury	290.00	1.90	551.00	-	-	-	-	-	-	-	-	-	-	1.90	551.00
Chelsea Fisk	Treasury	290.00	3.70	1,073.00	-	-	-	-	-	-	-	-	-	-	3.70	1,073.00
Selina Naylor	Treasury	290.00	1.60	464.00	-	-	-	-	-	-	-	-	-	-	1.60	464.00
Kevin McCartney	Junior Associate	220.00	2.80	616.00	2.80	616.00	-	-	-	-	-	-	-	-	-	-
Ashleigh Ubank	Administration II	220.00	0.40	88.00	-	-	-	-	-	-	0.10	22.00	-	-	0.30	66.00
Total (ex GST)				\$135,259.00		\$35,984.50		\$16,945.50		\$17,614.00		\$47,371.00		\$3,831.00		\$13,513.00
GST				\$13,525.90												
Total (Incl GST)				\$148,784.90												
Total hours			317.00		72.10		35.10		43.80		121.30		11.20		33.50	
Avg hourly rate (ex GST)				\$ 426.68		\$499.09		\$482.78		\$402.15		\$390.53		\$342.05		\$403.37

Schedule D – Resolutions

Resolution 1 – 16 May 2022 to 21 June 2022 (inclusive)

“That the remuneration of the Voluntary Administrators and their staff, for the period from 16 May 2022 to 21 June 2022, calculated at the hours spent at the rates detailed in the Report dated 23 May 2022 provided to creditors, is approved for payment in the amount of \$323,816.50, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 2 – 22 June 2022 to 31 October 2022 (inclusive)

“That the remuneration of the Deed Administrators and their staff, for the period from 22 June 2022 to 31 October 2022, calculated at the hours spent at the rates detailed in the Report dated 23 May 2022 provided to creditors, is approved for payment in the amount of \$135,259.00, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 3 – 1 November 2022 to finalisation of the DOCA (inclusive)

“That the future remuneration of the Deed Administrators for the period from 1 November 2022 to finalisation of the DOCA, is determined at a sum equal to the cost of time spent by the Deed Administrators and their staff, calculated at the hourly rates as detailed in the Report dated 23 May 2022 provided to creditors, up to a capped amount of \$150,000, exclusive of GST, and that the Deed Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available”.

Schedule E – Summary of receipts and payments

Receipts and payments for the period 17 March 2022 to 31 October 2022.

Receipts	\$
Cash at bank	13,323.03
Debtor Collections	6,459,751.91
DOCA Contributions	1,025,500.00
Funds Received in Error	20,236.24
GST Refunds	22,102.00
Portable Long Service Leave Claims	35,931.90
Refunds	19,059,535.57
Settlement Adjustment	797,574.61
Total Receipts	27,433,955.26

Payments	\$
Advertising Expenses	11,950.14
Appointee Disbursements	42,000.44
Appointee Fees	2,498,065.35
Bank Charges	423.24
Cleaning Expenses	26,260.49
Consultant Expenses	229,825.53
Counsel's Fees	5,940.00
EarlyPay Expenses	134,525.51
Employee Allowances	983,838.73
Equipment Hire	665,857.33
Freight Expenses	1,025.93
Fuel Expenses	899,039.86
Garnishee Payments	6,690.31
General Office Supplies	5,852.46
GST Paid	1,119,068.00
Insurance Expense	832,031.13
Legal Disbursements	555.20
Legal Fees	186,018.83
Motor Vehicle Expenses	237,397.86
Payroll Tax	544,019.79
Permits	168,891.10
Postage	318.88
Post-Appointment Wages	10,297,906.61
Priority Dividend - Superannuation	545,179.87
Procurement Expenses	16,835.85

Property Outgoings	49,077.02
Rent & Rates	460,350.27
Repairs & Maintenance	6,957.44
Secured Creditor Payments	3,048,228.33
Security	1,360.40
Shared Corporate Function Contribution	798,160.15
Software Programs & Subscriptions	129,239.15
Staff Accommodation Expense	109,386.32
Storage	10,107.05
Subcontractors	6,770.78
Telephone & Fax	178,204.74
Tolls	111,157.09
Trade Consumables Expense	57,212.54
Training	596.40
Uniforms	3,670.60
Utilities	27,610.56
Total Payments	24,457,607.28
Net Receipts	\$2,976,347.98

Schedule F – FTI Consulting schedule of rates effective 1 July 2021

Typical 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	530	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	480	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	435	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.
Treasury	290	Typically, qualified accountant and/or bookkeeper working in a treasury function. Undertakes treasury activities and is skilled in all aspects of bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable.
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.
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.
Junior Accountant	180	Undergraduate in the early stage of their university degree.

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

Information sheet: Proposals without meetings

You are a creditor in a bankruptcy or personal insolvency agreement (collectively referred to as a regulated debtor's estate). You have been asked by the trustee to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

A proposal without a meeting is a cost effective alternative to a meeting. The trustee can use a proposal without a meeting to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The trustee is able to put any proposal to creditors by giving notice in writing to the creditors.

There is a restriction under the law that each notice can only contain a single proposal. However, the trustee can send more than one notice at a single time.

What information must the notice contain?

The notice must:

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

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the regulated debtor's estate. The trustee will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The trustee must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided. For example, if the trustee is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the trustee's remuneration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the trustee can choose to amend the proposal and ask creditors to consider it again, or the trustee can choose to hold a meeting of creditors to consider the proposal.

The trustee may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority of creditors vote yes.

The trustee will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be substantial additional costs associated with convening a meeting of creditors or the trustee seeking the approval of the Court. This cost will normally be paid from the available assets in the regulated debtor's estate.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides detailed information to assist creditors with understanding regulated debtor's estates and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

AFSA provides information on a range of personal insolvency topics. This information can be accessed on AFSA's website at www.afsa.gov.au.

Appendix 3 – Proposal Notices and Voting Forms

17 November 2022

PROPOSAL ONE

NOTICE OF PROPOSAL TO CREDITORS

EVOLUTION TRAFFIC MANAGEMENT PTY LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ACN 638 495 691

("THE COMPANY")

Please complete this document and return with any supporting documents by no later than 9 December 2022 for your vote to be counted, by email to Sam Dennis at sam.dennis@fticonsulting.com. If you have any questions, please call 07 3225 4922.

Completed forms may also be sent by post attention to Sam Dennis at FTI Consulting, Level 20, 345 Queen Street, Brisbane QLD 4001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes.

Proposal for creditor approval

"That the remuneration of the Voluntary Administrators and their staff, for the period from 16 May 2022 to 21 June 2022, calculated at the hours spent at the rates detailed in the Report dated 23 May 2022 provided to creditors, is approved for payment in the amount of \$323,816.50, exclusive of GST, to be drawn from available funds immediately or as funds become available."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The proposal is being put to creditors to approve remuneration as allowed under law.

The proposal if passed will minimise the cost of approving remuneration to the Voluntary Administrators, which would otherwise require a meeting of creditors or court application to be approved – which can be costly.

Remuneration of the Voluntary Administrators is to be paid in priority to other claims under the Corporations Act. This ensures when there are sufficient funds, the Voluntary Administrators receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee we will be paid, as we are only paid if sufficient assets are recovered.

If sufficient assets are recovered, there may be funds available to pay a dividend to creditors, however this is affected by many variables including the value of assets and complexity of realising those assets, the level of creditor enquiries, the priority of claims (including employee claims) and the total value of creditor claims to be admitted to participate in a dividend.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Deed of Company Arrangement
- the estimated total of creditor claims based on the Company's records and claims lodged

we estimate a dividend of between 13 and 100 cents in the dollar will be paid in the Deed of Company Arrangement, depending in which class a creditor is classified. Please note, in addition to the creditors' class, this estimate is subject to a range of variables, particularly the adjudication and payment of creditor claims.

The Voluntary Administrators forecasted an unsecured creditor DOCA fund in the range of nil to \$2.4 million in their Report to Creditors dated 23 May 2022. Based on our revised calculations at 31 October 2022, this position has improved to a minimum unsecured pool of \$2.1 million with an optimistic upside of approx. \$3 million. On this basis, there is no prejudice to creditors based on what they resolved to approve at the meeting held on 31 May 2022.

Our remuneration approval report, which has been provided with this notice provides more detailed information on the remuneration we are seeking to be approved.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes ☐ I approve the proposal
No ☐ I do not approve the proposal
Object ☐ I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Voluntary Administrators for your vote to count. Please select the option which applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
☐ I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: ACN / ABN (if applicable):

- ☐ I am not a related creditor of the Company.
☐ I am a related creditor of the Company, relationship:

Address:

Name of creditor / authorised person:

Signature: Date:

NOTICE OF PROPOSAL TO CREDITORS**EVOLUTION TRAFFIC MANAGEMENT PTY LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)****ACN 638 495 691****("THE COMPANY")**

Please complete this document and return with any supporting documents by no later than 9 December 2022 for your vote to be counted, by email to Sam Dennis at sam.dennis@fticonsulting.com. If you have any questions, please call 07 3225 4922.

Completed forms may also be sent by post attention to Sam Dennis at FTI Consulting, Level 20, 345 Queen Street, Brisbane QLD 4001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes.

Proposal for creditor approval

"That the remuneration of the Deed Administrators and their staff, for the period from 22 June 2022 to 31 October 2022, calculated at the hours spent at the rates detailed in the Report dated 23 May 2022 provided to creditors, is approved for payment in the amount of \$135,259, exclusive of GST, to be drawn from available funds immediately or as funds become available."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The proposal is being put to creditors to approve remuneration as allowed under law.

The proposal if passed will minimise the cost of approving remuneration to the Deed Administrators, which would otherwise require a meeting of creditors or court application to be approved – which can be costly.

Remuneration of the Deed Administrators is to be paid in priority to other claims under the Corporations Act. This ensures when there are sufficient funds, the Deed Administrators receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee we will be paid, as we are only paid if sufficient assets are recovered.

If sufficient assets are recovered, there may be funds available to pay a dividend to creditors, however this is affected by many variables including the value of assets and complexity of realising those assets, the level of creditor enquiries, the priority of claims (including employee claims) and the total value of creditor claims to be admitted to participate in a dividend.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Deed of Company Arrangement
- the estimated total of creditor claims based on the Company's records and claims lodged

we estimate a dividend of between 13 and 100 cents in the dollar will be paid in the Deed of Company Arrangement, depending in which class a creditor is classified. Please note, in addition to the creditors' class, this estimate is subject to a range of variables, particularly the adjudication and payment of creditor claims.

The Voluntary Administrators forecasted an unsecured creditor DOCA fund in the range of nil to \$2.4 million in their Report to Creditors dated 23 May 2022. Based on our revised calculations at

31 October 2022, this position has improved to a minimum unsecured pool of \$2.1 million with an optimistic upside of approx. \$3 million. On this basis, there is no prejudice to creditors based on what they resolved to approve at the meeting held on 31 May 2022.

Our remuneration approval report, which has been provided with this notice provides more detailed information on the remuneration we are seeking to be approved.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Deed Administrators for your vote to count. Please select the option that applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: ACN / ABN (if applicable):

- ☐ I am not a related creditor of the Company.
- ☐ I am a related creditor of the Company, relationship:

Address:

Name of creditor / authorised person:

Signature: Date:

NOTICE OF PROPOSAL TO CREDITORS

EVOLUTION TRAFFIC MANAGEMENT PTY LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ACN 638 495 691

("THE COMPANY")

Please complete this document and return with any supporting documents by no later than 9 December 2022 for your vote to be counted, by email to Sam Dennis at sam.dennis@fticonsulting.com. If you have any questions, please call 07 3225 4922.

Completed forms may also be sent by post attention to Sam Dennis at FTI Consulting, Level 20, 345 Queen Street, Brisbane QLD 4001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes.

Proposal for creditor approval

"That the future remuneration of the Deed Administrators for the period from 1 November 2022 to finalisation of the DOCA, is determined at a sum equal to the cost of time spent by the Deed Administrators and their staff, calculated at the hourly rates as detailed in the Report dated 23 May 2022 provided to creditors, up to a capped amount of \$150,000, exclusive of GST, and that the Deed Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available".

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The proposal is being put to creditors to approve remuneration as allowed under law.

The proposal if passed will minimise the cost of approving remuneration to the Deed Administrators, which would otherwise require a meeting of creditors or court application to be approved – which can be costly.

Remuneration of the Deed Administrators is to be paid in priority to other claims under the Corporations Act. This ensures when there are sufficient funds, the Deed Administrators receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee we will be paid, as we are only paid if sufficient assets are recovered.

If sufficient assets are recovered, there may be funds available to pay a dividend to creditors, however this is affected by many variables including the value of assets and complexity of realising those assets, the level of creditor enquiries, the priority of claims (including employee claims) and the total value of creditor claims to be admitted to participate in a dividend.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Deed of Company Arrangement
- the estimated total of creditor claims based on the Company's records and claims lodged

we estimate a dividend of between 13 and 100 cents in the dollar will be paid in the Deed of Company Arrangement, depending in which class a creditor is classified. Please note, in addition to the creditors' class, this estimate is subject to a range of variables, particularly the adjudication and payment of creditor claims.

The Voluntary Administrators forecasted an unsecured creditor DOCA fund in the range of nil to \$2.4 million in their Report to Creditors dated 23 May 2022. Based on our revised calculations at 31 October 2022, this position has improved to a minimum unsecured pool of \$2.1 million with an optimistic upside of approx. \$3 million. On this basis, there is no prejudice to creditors based on what they resolved to approve at the meeting held on 31 May 2022.

Our remuneration approval report, which has been provided with this notice provides more detailed information on the remuneration we are seeking to be approved.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes ☐ I approve the proposal
No ☐ I do not approve the proposal
Object ☐ I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Deed Administrators for your vote to count. Please select the option that applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
☐ I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: ACN / ABN (if applicable):

- ☐ I am not a related creditor of the Company.
☐ I am a related creditor of the Company, relationship:

Address:

Name of creditor / authorised person:

Signature: Date:

Appendix 4 - Notice of intention to Declare a Dividend

subregulation 5.6.65(1)

Corporations Act 2001

FORM 547

NOTICE TO CREDITOR OR PERSON CLAIMING TO BE A CREDITOR OF INTENTION TO DECLARE A DIVIDEND

EVOLUTION TRAFFIC MANAGEMENT PTY LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ACN 638 495 691

("THE COMPANY")

A dividend is to be declared no later than 16 January 2023 for the Company.

You are known to me to claim to be a creditor, but your debt or claim has not yet been admitted.

You are required formally to prove your debt or claim on or before 9 December 2022. If you do not, you will be excluded from the benefit of the dividend.

Dated this 17th day of November 2022



Joanne Dunn

Deed Administrator

Our Ref.: CMF_487839.0001-9-4-Form 547

FORM 535 – FORMAL PROOF OF DEBT OR CLAIM

EVOLUTION TRAFFIC MANAGEMENT PTY LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ACN 638 495 691 ("THE COMPANY")

To the Deed Administrators of Evolution Traffic Management Pty Ltd (Subject to Deed of Company Arrangement) ACN 638 495 691 ("the Company")

1. This is to state that the Company was on 17 March 2022, 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	Amount (\$/c)	Remarks
	(state how the debt arose)		(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?	☐	☐
Email:		

Appendix 5 – Class 2 creditors

Premiair Services P/L

Caltex Australia Petroleum P/L

Aerometrex Ltd

Queensland Motorways Management P/L

Burson Automotive P/L

Mount Coolon Hotel

Esendex Australia P/L

Manstat P/L

GAF Traffic

Classic Hire

Queensland Police Service

Sci-Fleet Motors Pty Ltd

Parkside Motel

The Ready Towing Group

Local Government Procurement

Napa Virginia

Big Wheels Truck Alignment

GRS Towing

Dane Auto Electrical P/L

Ior Petroleum P/L

National Truck Repairs & Towing

Mctrucks Pty Ltd Midcoast

Herbert Valley Motel

Os1 Onsite Auto Electrical

Drive Accident Solutions

Bunnings Group Limited

TDDA (Qld Drug Detection)

Clermont Caravan Park

J1-Led Enterprises P/L

Julia Creek Motel

Julia Creek Villas

Sunflower Motel

Southeast Fasteners

Napa Beresfield

Colosseum Creek Motel

Appendix 6 – Class 3 creditors

TDS Property Group	Automotive Assistance Services
Industrial Zone Real Estate	Queensland Signs
Up Hire Pty Ltd	Class 1 Auto Electrics
GPC Asia Pacific	Banana Hotel Motel
Betta Hire	Innov8 Equipment Pty Ltd
Coates Hire Operations Pty Limited	Fitzroy Towing And Transport
Ivanhoe Nominees Pty Ltd	Auto One Chipping Norton
Eureka Management Pty Ltd	Your Finance Dept
The Trustee for the Adaptive Trust t/as	Dept Of Transport & Main Roads
MLV Real Estate Reba	Assure Programs
AM Richmond Superannuation	Wormald Fire (Mackay)
JC Superannuation Fund	Summit Software P/L
Arrowes Roding Safety	Mail Plus Eagle Farm
North Coast Commercial Prop	Corporate Supply Solutions
Accumax Global Pty Ltd	Southside Truck Centre
Kennards Hire Pty Ltd	Trans-Plant Training Pty Ltd
Supercare Cleaning Pty Ltd	Flaming North Fire Protection
Fujifilm Busin Innov	City Vehicle Services
G & L Kenny Superannuation	Swift Office Solutions Pty Ltd
New England Instrument Co	National Central Mechanical
Crothers and Hartmann Pty Ltd	Direct Distribution
Seek Limited	Local Buy Pty Ltd
Creditor Watch	Plan A Glass And Aluminium
Eproperty Consultants	Employee Reimbursements
Entire Workwear	Domain Name Services
Osborne Motor Bodies	Australia Post
Dyna Group Pty Ltd	TNT Express Australia
Steppe Pty Ltd (Love Family)	Hortons Auto Electrical
Royan Truck & Trailer Repairs	Sapio Pty Ltd

FMG Superannuation Pty Ltd

Tyres 4U Pty Ltd

Next Business Energy

Steve Mudge Auto Electrics

AGL Sales (ac 1194 6506)

Allcott Hire

Twin Cities Auto Electrical

Ultra Tune Toowoomba West

Tyre And Auto T/As Mycar

Platinum Traffic Services

Uniting Care Community

M'canns Airconditioning Serv

Motive Mechanical

Ergon Energy

Western Aust Local Gov Assoc

Appendix 7 – Class 4 creditors

Australian Taxation Office	Initial Hygiene
Office of State Revenue – NSW	Novus Autoglass
Telstra	Newcastle Commercial Vehicles
Insurance & Care NSW	Jaybro
Brisbane City Council	Goldstar Smash Repairs
Workcover Queensland	Neverfail S/Water
Pitney Bowes Australia	Arbor Training & Consulting
Motorpass	S&J Australian Scrap Tyre Disp
Iron Mountain Australia Group	Nerang Auto Electrical Engineers
Olympic Fire Services	Cure-All Pest Control P/L
City Car Rentals	Nomak Windscreens & Autoglass
ABC Towing Services Pty Ltd	Sydney Water
City of Ipswich	Eco Test And Tag
Raine & Horne Toowoomba	Jacky Auto Glass Pty Ltd
Jungheinrich Australia Pty Ltd	The Windscreen Man
Renae Lea & Shannon Dale Walsh	Raymond Terrace Radiator Serv
Office Of State Revenue - WA	Cleanaway
Recoveries Corporation	Flick Anticimex Pty Ltd
Perfect One Services Pty Ltd	Bundy Windscreens
Appliance Tagging Services P/L	Superior Pest Management
Fresh & Clean (Meadowbrook)	Wash Depot (Tamburlaine)