14 December 2021

Remuneration Approval Report

Privium Civil Pty Ltd
(Administrators Appointed)
ACN 600 354 701

Table of Contents

Summary

This remuneration approval report provides you with the information the Corporations Act 2001 ("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 Privium Civil Pty Ltd (Administrators Appointed) ACN 600 354 701 ("the Company").

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

Appointment type	Period	Remuneration (excl GST)
Voluntary Administration	17 November 2021 to 5 December 2021	$26,788.50
Voluntary Administration	6 December 2021 to 21 December 2021	$27,500.00
Total		**$54,288.50**

We estimate the total cost of the Voluntary Administration of the nine (9) Companies will be $1,319,518.00. This has increased by a total of $179,518.00 for all nine (9) Companies from our previous estimate because of the following reasons:

- Extensive volume of email and phone queries from clients concerning a variety of matters such as:
  - Status of contracts after Company placed into Voluntary Administration
  - Insurance relating to deposits, build costs and maintenance and defects, the process of making an insurance claim and the relevant authority to make a claim through
  - Process of making a claim in the Voluntary Administration should there be no insurance
  - Novation of contracts to new builders
  - Termination of contracts
  - Organising handover of keys for properties where final payment has been made, or upon final payment being made
  - Requests for documentation relating to building certifications and building approvals
- Sourcing and coordination of staff to facilities handover of properties where practical completion payments have been received
- Numerous conversations with Queensland Building and Construction Commission ("QBCC"), Victorian Managed Insurance Authority ("VMIA") and NSW Fair Trading regarding appointment as Voluntary Administrators
- Fielding numerous queries via email and phone from parties' interest in taking over certain build contracts. Review of proposals, drafting and issuance of non-disclosure agreements for offers assessed at face value as valid
- Ongoing discussions with Secured Creditor, providing updates on the Administration
- Extensive work in identifying, cataloguing, and securing property plant and equipment. Contacting various parties in possession of Company property. Reconciling property against PPSR registers and Company records

- Travel to sites where properties are located to conduct external inspection. Documenting findings of inspection. Liaising with Privium internal team concerning properties. Issuing request for further information to understand complete asset position
- Review of Put & Call Option deeds and associated variation/assignment documentation. Extensive communications via email and phone with parties involved with put and call land agreements. Review of contracts and lots associated with contracts. Internal meetings discussing findings of review

We expect there will be further remuneration approval requests, which will be determined once the outcome of the Company is decided at the Second Meeting of Creditors.

Declaration

We, John Park, Kelly-Anne Trenfield and myself, Joanne Dunn, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary 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 have been incurred in the conduct of the external administration are necessary and proper.

Remuneration sought

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

For	Period	Amount $ (excl GST)	Applicable rates	Timing of payment
Work already completed	17 November 2021 to 5 December 2021	$26,788.50	Provided in our IRN dated 18 November 2021	When funds are available
Future work to the second meeting of creditors	6 December 2021 to 21 December 2021	$27,500.00	As per the attached hourly rates in **Schedule E**	When funds are available
Total		**$54,288.50**		

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

Schedule B includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting 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 18 November 2021.

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for period 17 November 2021 to 5 December 2021 (inclusive)

External disbursements claim	Basis of charge $ (excl. GST)	Amount $ (excl GST)
Search fees	At cost	$30.64
Total (excluding GST)		**$30.64**
GST		**$3.06**
Total (including GST)		**$33.70**

Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the *Voluntary Administrators* to be paid in priority to other claims. This ensures when there are sufficient funds, the Voluntary Administrators receives 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 Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

The estimated dividend is subject to the outcome of the Second Meeting of Creditors and the quantum of claims admissible. Please refer to Section 9.1 of the Report to Creditors for further detail.

Summary of receipts and payments

A summary of the receipts and payments for the Voluntary Administration as at 17 November 2021 to 9 December 2021 is **enclosed** at **Appendix 6**.

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 our office on (07) 3225 4900 or by email via the following:

Creditor enquiries	PriviumCreditors@fticonsulting.com
Client enquiries (building contracts)	PriviumClients@fticonsulting.com
Other enquiries	PriviumEnquiry@fticonsulting.com

Yours faithfully

John Park
Administrator

Kelly-Anne Trenfield
Administrator

Joanne Dunn
Administrator

Attachments:

Schedule A – Details of work

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

Schedule C – Resolutions

Schedule D – FTI Consulting schedule of rates

Schedule A – Details of work

Task area/General description	Work already done	Future work to meeting date
Period	17 November 2021 to 5 December 2021	6 December 2021 to 21 December 2021
Amount $ (excl GST)	**$26, 788.50**	**$27,500**
Creditors	**19,014.00**	**$22,000**
Creditor Enquiries, Requests & Directions	■ Maintaining creditor request log ■ Review and prepare initial correspondence to creditors and their representatives ■ Dealing with queries from creditors concerning outstanding invoices. Advising of process to lodge a claim in the Voluntary Administration. Providing relevant documentation to be completed and returned. Review of documentation received. ■ Further correspondence with creditors for missing and incomplete information. Documenting reasons for complying or not complying with requests or directions ■ Compiling information requested by creditors	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Review and prepare initial correspondence to creditors and their representatives ■ Documenting ■ Considering reasonableness of creditor requests ■ Obtaining legal advice on requests ■ Documenting reasons for complying or not complying with requests or directions ■ Compiling information requested by creditors
Retention of Title Claims	■ Conducting a Company search via ACN, ABN and Company name to identify PPSR registrations ■ Collating list of all PPSR registrations identified. Drafting initial correspondence to parities identified advising of appoint of Voluntary Administrators and requesting Retention of Title documentation ■ Creating PPSR schedule and updating for initial correspondence sent, discharge letters received and other correspondence. ■ Draft and issue s509B notices	■ Creating PPSR schedule and updating for initial correspondence sent, discharge letters received and other correspondence. ■ Dealing with a large volume of queries from Retention of Title claim holders. Corresponding with parties via email and phone. ■ Adjudicate retention of title claims ■ Forward correspondence to claimants notifying outcome of adjudication
Secured creditor reporting	■ Notifying PPSR registered creditors of appointment ■ Preparing updates to Bank of New York Mellon ("BNYM") concerning progress of administration and estimated statement of position	■ Preparing updates to Bank of New York Mellon ("BNYM") concerning progress of administration and estimated statement of position ■ Ongoing correspondence with BNYM, fielding queries regarding aspects of Voluntary Administration

Task area/General description	Work already done	Future work to meeting date
	■ Ongoing correspondence with BNYM, fielding queries regarding aspects of Voluntary Administration ■ Review of security position ■ Liaising with lawyers concerning position of secured creditor	
Initial Circular to Creditors	■ Preparation of initial correspondence to creditors, suppliers and clients. Providing details concerning administration process, rights to claims in administration and details concerning how to lodge a claim in the Voluntary Administration	*Intentionally left blank*
Voluntary Administrators Second Report to creditors	■ Preparation of Voluntary Administrators' second report to creditors. Conducting a review into the history of the company since inception and outlining reasons would lead to the failure of the Company ■ Conducting a review of the historical financial position and providing commentary on findings. Forming a preliminary view on potential date of insolvency. Formulating an Estimated Statement of Position to calculated estimated return to various tranches of creditors should the Company enter Liquidation ■ Performing investigations into potential recoveries which could be made should the Company enter Liquidation	■ Preparation of Voluntary Administrators' second report to creditors. Conducting a review into the history of the company since inception and outlining reasons would lead to the failure of the Company ■ Conducting a review of the historical financial position and providing commentary on findings. Forming a preliminary view on potential date of insolvency. Formulating an Estimated Statement of Position to calculated estimated return to various tranches of creditors should the Company enter Liquidation ■ Performing investigations into potential recoveries which could be made should the Company enter Liquidation
Dealing with proofs of debt	■ Receipting and filing POD when not related to a dividend. Review of proof of debt forms and responding to creditors requesting further information if required ■ Reviewing proof of debt forms for purpose of certain creditors individual insurance policies. Liaising with insurance company concerning outcome of review and requesting further information if required.	■ Receipting and filing POD when not related to a dividend. Review of proof of debt forms and responding to creditors requesting further information if required ■ Reviewing proof of debt forms for purpose of certain creditors individual insurance policies. Liaising with insurance company concerning outcome of review and requesting further information if required.
First Meeting of Creditors	■ Preparation of meeting notices, proxies and advertisements ■ Forward notice of meeting to all known creditors and clients. ■ Continuous monitoring of inboxes for meeting registration forms. Fieldling queries concerning details to include in forms, how to complete	*Intentionally left blank*

Task area/General description	Work already done	Future work to meeting date
	meeting registration forms and how to access the virtual meeting of creditors ■ Maintaining meeting registration, proxy and polling workbook to track registrations received and votes placed prior to first meeting of creditors via special proxy forms ■ Saving down and categorising meeting registration forms received for ease of access. Contacting creditors to provide further information for incomplete proof of debt, proxy or meeting registration forms ■ Preparation of meeting pack, including agenda, attendance register, list of creditors, list of proxies, reports to creditors, advertisement of meeting and draft minutes of meeting. ■ Organising and testing virtual meeting facilities. Creating polling documents for creditors to vote on resolutions ■ Issuing meeting invitation links to creditors who had successfully completed proof of debt form, proxy form and meeting registration form ■ Preparation and lodgement of minutes of meetings with ASIC ■ Responding to stakeholder queries and questions immediately following meeting	
Second Meeting of Creditors	*Intentionally left blank*	■ Preparation of meeting notices, proxies and advertisements ■ Forward notice of meeting to all known creditors and clients. ■ Continuous monitoring of inboxes for meeting registration forms. Fieldling queries concerning details to include in forms, how to complete meeting registration forms and how to access the virtual meeting of creditors ■ Maintaining meeting registration, proxy and polling workbook to track registrations received and votes placed prior to first meeting of creditors via special proxy forms ■ Saving down and categorising meeting registration forms received for ease of access. Contacting creditors to provide further information for incomplete proof of debt, proxy or meeting registration forms

Task area/General description	Work already done	Future work to meeting date
		■ Preparation of meeting pack, including agenda, attendance register, list of creditors, list of proxies, reports to creditors, advertisement of meeting and draft minutes of meeting.
Investigations	**7.2 hours** **$2,814.50**	**$3,500**
Conducting investigations	■ Liaising with Companies Chief Financial Officer to obtain access to books and records. Organising collection of company books and records ■ Review and preparation of company nature and history ■ Review of pre appointment bank statements to identify potentially voidable transactions which may be recoverable should the Company enter Liquidation ■ Tracking transactions identified and quantifying value of potential voidable transactions ■ Export of historical financial data from records of the Company. Review accounting data and perform analysis on same ■ Conducting and summarising statutory searches ■ Preparation of comparative financial statements ■ Preparation of deficiency statement ■ Review of specific transactions and liaising with directors regarding certain transactions ■ Liaising with directors regarding certain transactions ■ Preparation of investigation file ■ Ongoing review of all company transactions and dividend payments made. Collating data relating to same and quantifying amount. ■	■ Review and preparation of company nature and history ■ Review of pre appointment bank statements to identify potentially voidable transactions which may be recoverable should the Company enter Liquidation ■ Tracking transactions identified and quantifying value of potential voidable transactions ■ Export of historical financial data from records of the Company. Review accounting data and perform analysis on same ■ Conducting and summarising statutory searches ■ Preparation of comparative financial statements ■ Preparation of deficiency statement ■ Review of specific transactions and liaising with directors regarding same ■ Preparation of investigation file ■ Ongoing review of all company transactions and dividend payments made. Collating data relating to same and quantifying amount.

Task area/General description	Work already done	Future work to meeting date
Administration	**11.70 hours** **$4,960.00**	**$2,000**
Correspondence	■ Initial meeting with director Robert Harder. Review of asset and liability position and understanding main stakeholders ■ Issuing initial correspondence to various parties. Ongoing communications with key stakeholders	■ Ongoing General correspondence with various parties
Document maintenance/file review/checklist	■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ File reviews ■ Updating checklists
Insurance	■ Identification of potential issues requiring attention of insurance specialists ■ Correspondence with insurer regarding initial and ongoing insurance requirements ■ Reviewing insurance policies ■ Correspondence with previous brokers	■ Identification of potential issues requiring attention of insurance specialists ■ Correspondence with insurer regarding initial and ongoing insurance requirements ■ Reviewing insurance policies ■ Correspondence with previous brokers
Funds handling	■ Issuing correspondence to banks concerning appointment and requesting details of any accounts held in the Company's name ■ Preparing correspondence opening bank accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers
ASIC Forms and lodgements	■ Preparing and lodging ASIC forms including 505, 484 and 531 ■ Correspondence with ASIC regarding statutory forms ■ Meetings with ASIC concerning appointment	■ Preparing and lodging ASIC forms ■ Correspondence with ASIC regarding statutory forms

Task area/General description	Work already done	Future work to meeting date
ATO and other statutory reporting	■ Completing notification of appointment forms ■ Preparing BAS ■ Completing STP reporting obligations	■ Preparing Business Activity Statement ■ Completing STP reporting obligations
Planning / Review	■ Dealing with records in storage ■ Sending job files to storage	■ Dealing with records in storage ■ Sending job files to storage
Books and records / storage	■ Initial meeting with director Robert Harder. Review of asset and liability position and understanding main stakeholders ■ Issuing initial correspondence to various parties. Ongoing communications with key stakeholders	■ Ongoing General correspondence with various parties

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

The below table sets out worked performed to each major task area by staff members working on the Voluntary Administration from 17 November 2021 to 5 December 2021 (inclusive) which is in the resolution 1 claim.

Employee	Position	$/hour (excl GST)	Total actual hours	Total $ (excl GST)	Task Area					
					Creditors		Investigation		Administration	
					Hrs	$	Hrs	$	Hrs	$
John Park	Senior Managing Director	720.00	2.50	1,800.00	2.30	1,656.00	-	-	0.20	144.00
Kelly-Anne Trenfield	Senior Managing Director	720.00	1.60	1,152.00	0.50	360.00	0.10	72.00	1.00	720.00
Joanne Dunn	Senior Managing Director	720.00	7.00	5,040.00	5.20	3,744.00	0.40	288.00	1.40	1,008.00
Renee Lobb	Managing Director	660.00	0.80	528.00	0.50	330.00	0.30	198.00	-	-
Carla Fairweather	Managing Director	660.00	1.60	1,056.00	1.60	1,056.00	-	-	-	-
Paris Parasadi	Director	530.00	12.20	6,466.00	8.60	4,558.00	1.40	742.00	2.20	1,166.00
Marial Kwan	Senior Consultant II	480.00	0.90	432.00	0.90	432.00	-	-	-	-
Marco Bozzetto	Senior Consultant II	480.00	1.00	480.00	1.00	480.00	-	-	-	-
Julian Gowdie	Senior Consultant I	435.00	0.80	348.00	-	-	-	-	0.80	348.00
Brooke Petersen	Consultant I	360.00	3.70	1,332.00	3.20	1,152.00	-	-	0.50	180.00
Nicholas Hawthorne	Consultant I	360.00	0.40	144.00	0.40	144.00	-	-	-	-
Matthew Burns	Associate II	335.00	5.40	1,809.00	4.80	1,608.00	-	-	0.60	201.00
Sandesh Pereira	Associate II	335.00	2.80	938.00	1.30	435.50	1.10	368.50	0.40	134.00
Gus State	Associate I	300.00	4.10	1,230.00	-	-	3.60	1,080.00	0.50	150.00
Stephanie Jiang	Associate I	300.00	6.80	2,040.00	6.80	2,040.00	-	-	-	-
Samuel Dennis	Associate I	300.00	2.60	780.00	2.60	780.00	-	-	-	-
Zin Thaya Khin	Treasury	290.00	0.40	116.00	-	-	-	-	0.40	116.00
Various Staff	Administration II	220.00	4.40	968.00	1.00	220.00	0.30	66.00	3.10	682.00
Various Staff	Administration I	185.00	0.70	129.50	0.10	18.50	-	-	0.60	111.00
Total (ex GST)				**$ 26,788.50**		**$ 19,014.00**		**$ 2,814.50**		**$ 4,960.00**
GST				**$ 2,678.85**						
Total (Incl GST)				**$ 29,467.35**						
Total hours			**59.70**		**40.80**		**7.20**		**11.70**	
Avg hourly rate (ex GST)				**$ 448.72**		**$ 466.03**		**$ 390.90**		**$ 423.93**

Schedule C – Resolutions

Resolution 1 – Remuneration from 17 November 2021 to 5 December 2021

"That the remuneration of the Voluntary Administrators of Privium Civil Pty Ltd (Administrators Appointed) ACN 600 354 701 , their partners and staff, for the period 17 November 2021 to 5 December 2021 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2021), is approved for payment in the amount of $26,788.50, (exclusive of GST), to be drawn from available funds immediately or as funds become available."

Resolution 2 - Remuneration from 6 December 2021 to 21 December 2021

"That the remuneration of the Voluntary Administrators of Privium Civil Pty Ltd (Administrators Appointed) ACN 600 354 701, their partners and staff, for the period 6 December 2021 to 21 December 2021 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2021), is approved for payment in the amount of $27,500.00 (exclusive of GST), to be drawn from available funds immediately or as funds become available

Schedule D – 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.