30 July 2018

Our Ref: MPH_462133.0001r9

CIRCULAR TO CREDITORS

Dear Sir/Madam

RE: Crusaders Managers Pty Ltd (Administrators Appointed) ACN 130 244 361 ("the Company") as trustee for the 333 Travencore Trust (formerly the Crusaders Trust) ('the Trust)

I refer to the appointment of John Park and I as Joint and Several Administrators ("**Administrators**") of the Company on 20 March 2018 and as Joint and Several Receivers and Managers ("**Receivers**") on 5 June 2018 over the assets and undertakings of the Trust.

Creditors are advised that the second meeting of creditors of the Company is to reconvene and be held on Tuesday, 7 August 2018 at 10:00 AM AEST at FTI Consulting, Level 20, CP1, 345 Queen Street, Brisbane, Queensland 4000 for the purpose of creditors determining the future of the Company.

The following documents are enclosed:

(i) Notice of Reconvened Second Meeting of Creditors;

(ii) Appointment of Proxy Form; and

(iii) Informal Proof of Debt or Claim Form.

The Administrators have also issued an updated Remuneration Approval Report, which is available for download from the following website through the Crusaders Managers Link;

Website Access: https://www.fticonsulting-asia.com/creditors
Password: 462133:cru

If you do not have internet access, please contact this office to receive a physical copy of the report.

Update to Creditors

1. Background

This is an addendum to the report provided to creditors dated 12 July 2018 pursuant to Section 75-225 of the Insolvency Practice Rules (Corporations) 2016 ("**IPR**") and should be read in conjunction with same.

The purpose of this report is to provide creditors with an update on the Voluntary Administration of the Company and to confirm the Administrators' recommendation for the future of the Company.

2. Adjournment of Second Meeting of Creditors

At the second meeting of creditors of the Company held on 20 July 2018, creditors resolved that the meeting be adjourned for a period not exceeding 45 business days in accordance with Section 75-140 of the IPR.

Creditors determined that a short adjournment was appropriate to allow completion of the conditional sale to occur with the broader protection afforded to a company under Administration.

3. Sale of the Company's Business and Assets

The Administrators advise that the sale of the six (6) Snap Fitness gyms was completed on 20 July 2018. Control of the six (6) gyms transferred to the Purchaser, Project Noah Holdings Limited ("**Purchaser**") on this date.

The Administrators are continuing to work with the Purchaser to resolve a number of issues post settlement.

4. Future of the Company

At the adjourned second meeting of creditors reconvened for 7 August 2018, creditors by resolution will determine the future of the Company, namely whether:

(i) The administration ends; or

(ii) The Company executes a Deed of Company Arrangement ("**DOCA**"); or

(iii) The Company be placed into liquidation.

5. Administrators' Recommendation

The Administrators' recommendation as to the future of the Company has not changed since our report to creditors dated 12 July 2018.

The Company is insolvent and therefore the administration should not end and control revert back to the Director.

No DOCA has been proposed at the time of writing or is expected to be proposed.

The Administrators therefore consider and recommend that it is in the best interests of creditors that the Company be placed into liquidation and the Administrators be appointed as Liquidators.

The appointment of Liquidators, among other things, will allow:

(i) Employees who did not transfer to the Purchaser to access the Fair Entitlements Guarantee ("**FEG**") scheme for any outstanding employee entitlements;

(ii) The continuation of investigations into the affairs of the Company prior to the Administration; and

(iii) The investigation and commencement of any potential recovery actions for antecedent transactions uniquely available in a liquidation.

As it stands, the Administrators see no reason for a further adjournment of the second meeting of creditors.

6. Estimated Return to Creditors

After payments to secured creditors for them to release their security over assets included in the sale of the gyms, there was no surplus funds available to priority or unsecured creditors.

The majority of employees however transferred their employment to the Purchaser and as such, their employment entitlements with the exception of outstanding superannuation have been taken on by the Purchaser.

The Administrators' estimate of returns that may be available to creditors in a liquidation of the Company has not changed since our last report.

At this stage, the Administrators do not anticipate there will be any return to priority or unsecured creditors from the external administration.

7. Administrators' Remuneration

At the meeting of creditors held on 20 July 2018, creditors approved the following remuneration and internal disbursement resolutions:

Fees and Disbursements approved at the Second Meeting of Creditors held on 20 July 2018	
Fee Period	**Amount Approved ($) (excl. GST)**
Former Administrator	
Remuneration from 8 March 2018 to 20 March 2018	55,292.00
Remuneration from 21 March 2018 to 11 July 2018	11,881.50
Administrators	
Remuneration from 20 March 2018 to 6 July 2018	460,674.50
Internal disbursements from 20 March 2018 to 6 July 2018	1,602.02
Total approved	**529,450.02**

The Administrators will seek approval of the following fee and disbursement resolutions at the reconvened second meeting of creditors:

Fees and Disbursements to be approved at the Reconvened Second Meeting of Creditors	
Fee Period	**Approval Sought ($) (excl. GST)**
Administrators	
Remuneration from 7 July 2018 to 25 July 2018	69,731.50
Remuneration from 26 July 2018 to 7 August 2018	30,000.00
Internal disbursements from 7 July 2018 to 7 August 2018	1,500.00
Liquidators	
Remuneration from 7 August 2018 to conclusion of liquidation	80,000.00
Internal disbursements from 7 August 2018 to conclusion of liquidation	2,000.00
Total approval sought	**183,231.50**

The extension of the Administration, while resulting in additional fees being incurred by the Administrators, was required to see the sale of the business to finalisation.

8. Reconvened Second Meeting of Creditors

A. Proof of Debt

Please note that Section 75-85 of the IPR provides that a creditor is not entitled to vote at a

meeting unless their claim has been admitted by the Administrators or the creditor has lodged with the Administrators particulars of the debt or claim.

If you have already lodged a proof of debt it is not necessary to lodge another for this meeting.

If you have not already lodged or wish to amend a proof of debt previously lodged, the enclosed proof of debt form (also available via the FTI Consulting website) must be completed and returned to this office no later than 4:00 P.M. on Monday, 6 August 2018.

B. Voting by Proxy

Certain resolutions from the proxy form used for the second meeting of creditors on 20 July 2018 are now considered redundant.

If you previously submitted a general proxy form for the second meeting of creditors on 20 July 2018, your proxy is still valid for use at the reconvened second meeting of creditors on 7 August 2018.

If you intend to appoint another person to vote on your behalf at the reconvened meeting in a certain way via a special proxy, you will be required to complete and return the enclosed proxy form with respect to the resolutions which have changed, and to confirm your original voting intention.

The proxy form is also available via the FTI Consulting website and must be returned to this office no later than 4.00 P.M. on Monday, 6 August 2018.

If you are a corporate creditor and you wish to be represented at the meeting then please ensure the proof of debt and proxy forms are completed by a duly authorised representative.

A company may execute a document without a common seal if the document is signed by two (2) directors of the company, a director and secretary of the company, or if a sole director company, by the director if the director is also the company secretary.

C. Attendance at the meeting

Telephone dial-in facilities for the meeting will be available. Please contact this office to register as a teleconference participant and obtain the necessary details.

9. **Way Forward**

The Administrators will provide creditors with a further update at the meeting of creditors.

Should you have any queries in this matter, please contact Mark Hellwege of this office on either (07) 3225 4918 or mark.hellwege@fticonsulting.com.

Yours faithfully
FTI Consulting

Kelly-Anne Trenfield
Administrator

***Attach.**

Section 75-225
Insolvency Practice
Rules (Corporations)
2016

CRUSADERS MANAGERS PTY LTD
(ADMINISTRATORS APPOINTED) ACN 130 244 361
("THE COMPANY")

NOTICE OF RECONVENED SECOND MEETING OF CREDITORS

NOTICE IS HEREBY GIVEN that the reconvened second meeting of creditors of the Company will be held on Tuesday, 7 August 2018 at FTI Consulting, Level 20, Central Plaza 1, 345 Queen Street, Brisbane QLD, commencing at 10:00 AM.

AGENDA

1. The purpose of the meeting is:

    a) to review the report of the Administrators and their recommendation in connection with the business, property, affairs and financial circumstances of the Company; and

    b) for the creditors of the Company to resolve:

        i) that the administration should end; or
        ii) that the Company be wound up.

2. Creditors will be requested to fix the remuneration to be paid to the Administrators, as calculated on a time basis for the period 7 July 2018 to 25 July 2018 (inclusive).

3. Creditors will be requested to fix the future remuneration to be paid to the Administrators, as calculated on a time basis for the period 26 July 2018 to 7 August 2018 (inclusive).

4. Creditors will be requested fix the cost of the internal disbursements to be paid to the Administrators for the period 7 July 2018 2018 to 7 August 2018;

5. Creditors will be requested to fix the future remuneration to be paid to the Liquidators, if appointed, as calculated on a time basis for the period 8 August 2018 to the Conclusion of the Liquidation (inclusive).

6. Creditors will be requested to fix the cost of the internal disbursements to be paid to the potential Liquidators, for the period 7 August 2018 to the Conclusion of the Liquidation (inclusive);

7. If the Company is placed into liquidation, to consider the appointment of a Committee of Inspection and if required, to determine the members; and

8. Any other business properly brought before the meeting.

Creditors wishing to vote at the meeting:

- who will not be attending in person or are a company, must complete and return an Appointment of Proxy Form (attached); and

- must complete and return a Formal Proof of Debt or Claim Form (attached) if not already done so,

by no later than 4:00 PM on 6 August 2018, by post to FTI Consulting, GPO Box 3127, Brisbane, Queensland, 4001 or by facsimile on (07) 3225 4999.

Dated this 30th day of July 2018

Kelly-Anne Trenfield
Joint and Several Administrator

Insolvency Practice Rules, 75-25
Corporations Act 2001

APPOINTMENT OF PROXY
CRUSADERS MANAGERS PTY LTD (ADMINISTRATORS APPOINTED)
ACN 130 244 361 ("THE COMPANY")

I/We *(name)*.....

of (*address)*.....

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

.....

or in his/her absence *(add alternate proxy)* .....

as my / our proxy, to vote at the second meeting of creditors to be held on **Tuesday, 7 August 2018** at FTI Consulting, Central Plaza 1, 345 Queen Street, Brisbane QLD at **10:00 AM (AEST)** or at any adjournment of that meeting.

Option 1: If appointed as a general proxy, as he/she determines on my/our behalf. ☐

AND/OR Option 2:

If appointed as a special proxy for some or all resolutions, specifically in the manner set out below (**please tick**). ☐

	Resolution *(please specify the particular resolution)*	**For**	**Against**	**Abstain**
1	The Administration of the Company end.	☐	☐	☐
2	The Company be wound up and John Park and Kelly-Anne Trenfield be appointed Joint and Several Liquidators.	☐	☐	☐
3	*The remuneration of the Voluntary Administrators of Crusaders Managers Pty Ltd (Administrators Appointed) ACN 130 244 361 for the period 7 July 2018 to 25 July 2018 be calculated on a time basis at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective, 1 March 2017, and is determined and approved for payment in the amount of $69,731.50 (excl. GST) and the Voluntary Administrators can draw the remuneration.*	☐	☐	☐
5	*The remuneration of the Voluntary Administrators of Crusaders Managers Pty Ltd (Administrators Appointed) ACN 130 244 361 for the period from 26 July 2018 to 7 August 2018 is determined and approved for payment at a sum equal to the cost of time incurred by the Voluntary Administrators and staff of FTI Consulting, calculated at the hourly rates set out in the schedule of FTI Consulting Standard Rates effective 1 March 2017, up to an initial capped amount of $30,000.00 (excl. GST), and the Voluntary Administrators can draw the remuneration as required.*	☐	☐	☐
6	*The future remuneration of the Liquidators of Crusaders Managers Pty Ltd (In Liquidation) ACN 130 244 361 for the period from 7 August 2018 to the Conclusion of the Liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Liquidators and staff of FTI Consulting, calculated at the hourly rates set out in the schedule of FTI Consulting Standard Rates effective 1 March 2017, up to an initial capped amount of $80,000.00 (excl. GST), and the Liquidators can draw the remuneration as required.*	☐	☐	☐
7	*The cost of the internal disbursements of the Voluntary Administrators of Crusaders Managers Pty Ltd (Administrators Appointed) ACN 130 244 361*	☐	☐	☐

	for the period 7 July 2018 to 7 August 2018 (inclusive) be calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates and is determined and approved for payment in the amount of $1,500.00 (excl. GST) and the Voluntary Administrators can draw the cost of those internal disbursements.			
8	*The cost of the future internal disbursements of the Liquidators of Crusaders Managers Pty Ltd (In Liquidation) ACN 130 244 361 for the period from 7 August 2018 to the Conclusion of the Liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of the internal disbursements incurred by the Liquidators and staff of FTI Consulting, calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates, up to an initial capped amount of $2,000.00 (excl. GST), and the Liquidators can draw the cost of those internal disbursements as required.*	☐	☐	☐
9	*"A Committee of Inspection be appointed comprising of members to be nominated by creditors at the meeting, should Liquidators be appointed."*	☐	☐	☐

Dated: .....

....
Name and signature of authorised person Name and signature of authorised person

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

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

Dated: ..... Signature of witness: .....

Description: ..... Place of residence: .....

INFORMAL PROOF OF DEBT OR CLAIM FORM
CRUSADERS MANAGERS PTY LTD (ADMINISTRATORS APPOINTED)
ACN 130 244 361 ("THE COMPANY")

For voting purposes at the meetings of creditors to be held under section 436E and section 439A of the *Corporations Act 2001,* including any adjournment of those meetings.

1. This is to state that the Company is justly and truly indebted to: *(add name and address below)*

.....

for *(insert amount of debt)* $..... Particulars of the debt are:

Date	Consideration	Amount	Remarks
		$	

2. Is the debt secured: Yes No *(please circle one)*
If yes, please include details below regarding the security (how it arose, date, whether registered etc.):

.....

.....

3. Signed by (select option):

☐ I am the creditor personally *OR*

☐ I am employed by the creditor and authorised in writing by the creditor to make this statement *OR*

☐ I am the creditor's agent authorised in writing to make this statement in writing.

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 nominate to receive electronic notification of notices or documents by email at the following address:

……

Dated: .....

....
Name and signature of authorised person Name and signature of authorised person

Email: …….. *Telephone: ……*

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

APPOINTMENT OF PROXY FORM

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

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

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

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

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

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

INFORMAL PROOF OF DEBT OR CLAIM FORM

The proof of debt submitted during an Administration is informal in that it does not mean that the Administrator has agreed with your proof for the purpose of making a dividend distribution.

It is used for voting purposes at any meetings of creditors and also to help establish the overall level of creditor claims in the administration. In the event that there are monies to be distributed to creditors in the future, you will need to submit a Formal Proof of Debt or Claim form.

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

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

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