

23 OCTOBER 2019

REMUNERATION APPROVAL REPORT

XPAND GROUP PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 099 412 101

Introduction

Information included in report

This remuneration approval report provides you with the information that the *Corporation Act 2001 (Cth)* (“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 of Xpand Group Pty Ltd (Administrators Appointed) ACN 099 412 101.

This report has the following information included:

Introduction.....	1
Part 1: Declaration.....	2
Part 2: Executive Summary.....	2
Part 3: Remuneration.....	2
Part 4: Disbursements.....	7
Part 5: Summary of Receipts and Payments.....	9
Part 6: Queries.....	9
Schedule 1: Table of major tasks for Resolution 1 remuneration approval.....	10
Schedule 2: Table of major tasks for Resolution 2 remuneration approval.....	15
Schedule 3: FTI Consulting Standard Rates.....	19
Schedule 4: Statement of receipts and payments from 5 August 2019 to 18 October 2019.....	21

Part 1: Declaration

We, Joanne Dunn and John Park of FTI Consulting have undertaken a proper assessment of the claims for remuneration and payment of our internal disbursements for the appointment as Voluntary Administrators of Xpand Group Pty Ltd (Administrators Appointed) ACN 099 412 101 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 that have been incurred in the conduct of the external administration are necessary and proper.

Part 2: Executive Summary

The total remuneration for this appointment for the period 26 August 2019 to 31 October 2019 (inclusive) is estimated to be \$395,391.50 (exclusive of GST).

Remuneration currently claimed and previously approved is summarised below in Table 1 and Table 2.

Table 1: Remuneration previously approved

Period	Type of Appointment	Approved (excl GST) \$	Drawn (excl GST) \$
5 August 2019 to 25 August 2019 (inclusive)	Voluntary Administration	\$139,476.00	\$0.00
Total past remuneration approved and drawn		\$139,476.00	\$0.00

Table 2: Current claim for remuneration

Period	Report Reference	Amount (excl GST) \$
Voluntary Administration		
Resolution 1: 26 August 2019 to 13 October 2019 (inclusive)	Schedule 1	\$365,391.50
Resolution 2: 14 October 2019 to 31 October 2019 (inclusive)*	Schedule 2	\$30,000.00
Total current claim for remuneration		\$395,391.50

* Approval for the future remuneration sought is based on an estimate of the work necessary to complete the administration. Should additional work beyond what is contemplated be necessary, further approval may be sought from creditors. If a lesser amount is incurred, we will limit our remuneration to that lesser amount.

Please refer to report section references detailed in Table 2 for full details of the calculation and composition of the remuneration approval sought.

Part 3: Remuneration

Remuneration claim resolutions

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are shown immediately below the resolutions and in the schedules to this report.

Resolution 1: Remuneration from 26 August 2019 to 13 October 2019 (inclusive)

The remuneration of the Voluntary Administrators of Xpand Group Pty Ltd (Administrators Appointed) ACN 099 412 101 from 26 August 2019 to 13 October 2019 (inclusive) be calculated on a time basis at the hourly rates set out in the FTI Consulting Standard Rates (Corporate Finance & Restructuring effective 1 May 2019 and Global Risk and Investigations Practice effective 2017), and is determined and approved for payment in the amount of \$365,391.50 (exclusive of GST) and the Voluntary Administrators can draw the remuneration.

Resolution 2: Remuneration from 14 October 2019 to 31 October 2019 (inclusive)

The remuneration of the Voluntary Administrators of Xpand Group Pty Ltd (Administrators Appointed) ACN 099 412 101 from 14 October 2019 to 31 October 2019 (inclusive) 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 FTI Consulting Standard Rates effective 1 May 2019, up to a capped amount of \$30,000 (exclusive of GST), and the Voluntary Administrators can draw the remuneration.

Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Standard Rates which appear at Schedule 3 to this report.

At this stage, based on the information presently available to us, we consider it may be necessary to convene a further meeting of creditors to seek further approval from creditors. However, the position may change depending on the progress of the external administration and the issues that may arise.

Details to support resolutions

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedule 1 to Schedule 2 to this report.

Resolution 1: Remuneration from 26 August 2019 to 13 October 2019 (inclusive)

Table 3 below sets out time charged to each major task area by staff members working on the Voluntary Administration from 26 August 2019 to 13 October 2019 (inclusive) which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 1.

Table 3: Time charged to each major task area for the Voluntary Administration for 26 August 2019 to 13 October 2019 (inclusive)

Employee	Position	Rate/hour excl GST \$	Total actual hours	Total (excl GST) \$	Task Area					
					Assets \$	Creditors \$	Employees \$	Trade On \$	Investigation \$	Administration \$
Joanne Dunn	Senior Managing Director	695.00	79.20	55,044.00	19,390.50	15,359.50	973.00	6,602.50	0.00	12,718.50
John Park	Senior Managing Director	695.00	0.10	69.50	0.00	0.00	0.00	0.00	0.00	69.50
Carla Fairweather	Managing Director	625.00	99.40	62,125.00	44,500.00	16,500.00	0.00	0.00	0.00	1,125.00
Claire Packer	Managing Director	625.00	70.80	44,250.00	875.00	3,687.50	3,562.50	35,937.50	0.00	187.50
Drew Forbes	Managing Director	625.00	0.30	187.50	0.00	187.50	0.00	0.00	0.00	0.00
Patrick O'Brien	Managing Director	625.00	1.90	1,187.50	0.00	0.00	1,187.50	0.00	0.00	0.00
Matthew Glennon	Senior Director	575.00	63.00	36,225.00	11,557.50	6,555.00	1,610.00	12,880.00	0.00	3,622.50
Jonathan Chee	Director	515.00	16.50	8,497.50	0.00	8,497.50	0.00	0.00	0.00	0.00
Mark Hellwege	Director	515.00	93.40	48,101.00	29,303.50	13,029.50	154.50	0.00	0.00	5,613.50
Neil Dempster	Senior Consultant II	465.00	67.40	31,341.00	1,209.00	6,370.50	744.00	22,785.00	46.50	186.00
James Mazzone	Senior Consultant I	400.00	0.60	240.00	0.00	240.00	0.00	0.00	0.00	0.00
Catherine Jaques	Consultant II	375.00	2.10	787.50	0.00	525.00	0.00	0.00	0.00	262.50
James Reeve	Consultant II	375.00	0.90	337.50	0.00	337.50	0.00	0.00	0.00	0.00
Jeremy Dalais	Consultant II	375.00	63.90	23,962.50	1,387.50	0.00	14,250.00	3,525.00	300.00	4,500.00
Marco Bozzetto	Consultant II	375.00	8.50	3,187.50	937.50	150.00	300.00	1,687.50	0.00	112.50
Carly Young	Consultant I	335.00	16.00	5,360.00	804.00	871.00	2,613.00	167.50	703.50	201.00
Maxine Allan	Consultant I	335.00	0.30	100.50	0.00	100.50	0.00	0.00	0.00	0.00
Samuel Baillie	Consultant I	335.00	35.50	11,892.50	4,958.00	2,747.00	2,077.00	1,440.50	0.00	670.00
Kathleen O'Connor	Associate II	320.00	32.90	10,528.00	512.00	2,208.00	6,816.00	480.00	32.00	480.00
Brooke Petersen	Associate I	300.00	45.40	13,620.00	0.00	3,270.00	1,140.00	5,160.00	1,560.00	2,490.00
Matthew Burns	Associate I	300.00	17.60	5,280.00	600.00	1,440.00	0.00	0.00	0.00	3,240.00
Administration	Administration II	205.00	7.50	1,537.50	0.00	143.50	0.00	0.00	0.00	1,394.00
Administration	Administration I	165.00	6.00	990.00	0.00	0.00	49.50	0.00	0.00	940.50
Total			729.20	364,851.50	116,034.50	82,219.50	35,477.00	90,665.50	2,642.00	37,813.00
GST				36,485.15						
Total (including GST)				401,366.65						
Average hourly rate (excluding GST)				500.34	560.28	516.13	386.04	515.73	318.31	435.63

The below table sets out work performed by other non-insolvency professional services provided by FTI Consulting from 26 August 2019 to 13 October 2019 (inclusive). The figures in Table 4 below, along with the figures in Table 3, are included in Resolution 1.

Table 4: Time charged for services provided by FTI Global Risk and Investigations Practice (inclusive)

Employee	Position	Rate/hour excl GST \$	Total actual hours	Total (excl GST) \$
Nerida Michell	Senior Consultant II	300.00	1.80	540.00
Total			1.80	540.00
GST				54.00
Total (including GST)				594.00
Average hourly rate (excluding GST)				300.00

Resolution 2: Remuneration from 14 October 2019 to 31 October 2019 (inclusive)

The below table sets out the expected costs for the major tasks likely to be performed by the voluntary administrators and their staff from 14 October 2019 to 31 October 2019 (inclusive) which is the basis of the Resolution 2 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule 2.

Table 5: Expected costs for the major tasks from 14 October 2019 to 31 October 2019 (inclusive)

	Total	Task Area				
		Assets	Creditors	Employees	Trade on	Administration
Total (est)	\$30,000.00	\$7,500.00	\$10,000.00	\$2,500.00	\$5,000.00	\$5,000.00
GST	\$3,000.00	\$750.00	\$1,000.00	\$250.00	\$500.00	\$500.00
Total (incl GST)	\$33,000.00	\$8,250.00	\$11,000.00	\$2,750.00	\$5,500.00	\$5,500.00

Total remuneration reconciliation

At this point in time, we estimate the total remuneration for this Voluntary Administration will be \$534,867.50 (exclusive of GST). This includes \$365,391.50 (exclusive of GST) for the period 26 August 2019 to 13 October 2019 (inclusive) and the anticipated costs from 14 October 2019 to 31 October 2019 (inclusive) of \$30,000 (exclusive of GST).

In our previous Remuneration Approval Report dated 2 September 2019, we estimated the cost to complete the Voluntary Administration was going to be \$258,954.63 (exclusive of GST). The Voluntary Administration is now nearing completion however, and we are seeking further approval of remuneration of \$395,391.50 (exclusive of GST), which differs to my previous estimate for the following reasons:

- The need to conduct and adjourn various creditor meetings, including issuing additional reports and correspondence to creditors;
- The requirement to continue to trade the Company longer than anticipated due to the withdrawal and amendment of the various DOCA proposals and the rejection by creditors of Rubicor Group Limited of the Cashel DOCA proposal;
- Conducting a sale campaign of Group assets including negotiating with interested parties, reviewing key features of the sale proposals and undertaking due diligence; and
- Higher than anticipated volume of enquiries received throughout the Administration and additional time associated in dealing with those enquiries.

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 (or Liquidators) receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and Australian Securities and Investment Commission ("ASIC") and distribute any available funds.

Based on:

- realisations to date;
- estimated future realisations;
- our estimated remuneration to complete the Voluntary Administration and Liquidators; and
- the estimated total of creditor claims based on the Company's records and claims lodged now;

there may be sufficient recoveries to pay a dividend to priority creditors in the Liquidation. Please refer to **Section 4** of the Report to Creditors for further details. It should be noted this estimate is subject to a range of variables, particularly the future realisations and creditor claims.

Part 4: Disbursements

Explanatory note on disbursements

Disbursements are divided into three (3) types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- **Internal disbursements** - such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

Internal disbursements not charged at cost must be approved by creditors before we can draw the cost of those disbursements from this external administration.

Creditor approval is not required in relation to externally provided professional and non-professional costs or disbursements charged at cost. Where payments to third parties have been made from the bank account of the external administration, those payments are disclosed in the summary of receipts and payments. Creditors have the right to question the incurring of the disbursements and can challenge disbursements in Court.

Creditor approval is not required for payment of internal disbursements which have been charged at cost. Internal disbursements not charged at cost, however, must be approved by creditors before we can draw the cost of those disbursements from this external administration. As we have chosen not to charge the external administration for internally-generated FTI disbursements where they have not been charged at cost (such as internal photocopying and printing charges for the use of FTI's photocopiers, printers etc), this approval is not required.

Table 6: Cost of external disbursements claimed

Disbursements Claimed	Basis of Charge excl GST \$	Amount \$
Externally provided non-professional services		
Meal Expenses	At cost	124.30
Postage	At cost	270.00
Search Fees	At cost	86.73
Staff Travel – Flights & Accommodation	At cost	1,601.07
Staff Travel - Taxi	At cost	321.66
Stationery	At cost	131.42
Total (excluding GST)		2,535.18
GST		253.52
Total (including GST)		2,788.70

Basis on which future disbursements will be charged

Future disbursements will be charged to the administration on the basis of the FTI Consulting Disbursement Rates as shown in Table 7 below.

Table 7: FTI Consulting Disbursement Rates

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

Part 5: Summary of Receipts and Payments

A summary of receipts and payments to and from the bank account for the Voluntary Administration for 5 August 2019 to 18 October 2019 appears as Schedule 4.

If any large or exceptional receipts and payments are received or made after this report is prepared but before the meeting at which this claim for remuneration will be considered, additional information will be provided at the meeting.

Part 6: Queries

If you have any queries or require any further information concerning our claim for remuneration please contact this office on (07) 3225 4900 or via email on Rubicor.Creditors@fticonsulting.com.

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 "insolvency information sheets").

Yours faithfully
FTI Consulting



Joanne Dunn
Voluntary Administrator

Our Ref: KLO_451953.0010-1-9-5-rem



FTI Consulting
(07) 3225 4900
Rubicor.creditors@fticonsulting.com

Liability limited by a scheme approved under Professional Standards Legislation

EXPERTS WITH IMPACT™

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring. More information can be found at www.fticonsulting.com.

© 2016 FTI Consulting, Inc. All rights reserved.

Schedule 1: Table of major tasks for Resolution 1 remuneration approval

Table 8 below provides a description of the work undertaken in each major task area from 26 August 2019 to 13 October 2019 (inclusive).

Table 8: Work undertaken from 26 August 2019 to 13 October 2019 (inclusive)

Task Area	General Description	Includes
Assets 207.10 hours \$116,034.50	Expression of Interest Campaign	<ul style="list-style-type: none"> • Creating and maintaining interested party register • Maintaining data room • Corresponding with interested parties regarding the data room • Analysing and preparing data for the data room • Corresponding with interested parties regarding their potential offer for the Company assets • Reviewing, analysing and discussing offer from the interested party/s • Obtaining legal advice regarding potential offers • Correspondence with overseas entities regarding offers • Meeting and liaising with purchasers • Notification to employees and suppliers of sale agreement • Liaising with secured parties regarding security releases • Internal meetings to discuss/review offers received
	Plant and Equipment	<ul style="list-style-type: none"> • Liaising with Company staff to obtain information on Company assets and locations • Liaising with valuers and auctioneers • Reviewing asset listings • Attending asset locations and conducting review
	Real Estate	<ul style="list-style-type: none"> • Preparing and issuing notices not to exercise property rights to Landlords
	Debtors	<ul style="list-style-type: none"> • Correspondence with Scottish Pacific

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Reviewing and assessing debtor ledgers
<p>Creditors</p> <p>159.30 hours</p> <p>\$82,219.50</p>	<p>Creditor Enquiries</p>	<ul style="list-style-type: none"> • Maintaining creditor enquiry register • Review and prepare correspondence to creditors and their representatives • Responding to creditors and their representatives via telephone, email and post
	<p>PPSR Secured Parties</p>	<ul style="list-style-type: none"> • Responding to secured creditor's queries • Correspondence with PPSR charge holders
	<p>Creditor Reports & Circulars</p>	<ul style="list-style-type: none"> • Preparing, reviewing and issuing supplementary report • Preparing, reviewing and issuing other general reports and circulars • Internal discussions regarding reports to creditors
	<p>Dealing with Proofs of Debt (PODs) not relating to Dividend</p>	<ul style="list-style-type: none"> • Receipting and filing PODs received via email, facsimile and post • Maintain POD register • Corresponding with ATO regarding POD when not related to a dividend
	<p>Meetings of Creditors</p>	<ul style="list-style-type: none"> • Preparation of meeting notices, proxies and advertisements • Forward notices of meetings to all known creditors • Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meetings and draft minutes of meeting • Liaising with chosen venues to organise the logistics of the second and two adjourned meetings of creditors • Internal discussions regarding meeting procedures • Responding to queries arising from meetings • Preparation of minutes of meetings with ASIC

Task Area	General Description	Includes
<p>Employees</p> <p>91.90 hours</p> <p>\$35,477.00</p>	<p>Employees enquiries</p>	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone and email • Review and prepare correspondence to employees and their representatives via telephone, facsimile, email and post • Preparation of letters to employees advising of their entitlements and options available • Receive and prepare correspondence in response to entitlement discrepancies
	<p>Payroll and Human Resources (HR)</p>	<ul style="list-style-type: none"> • Liaising with the Company’s payroll team regarding processing of post appointment wages and employee entitlements • Liaising with the Company’s HR team in relation to employee terminations • Preparing and issuing employee termination notices
	<p>FEG</p>	<ul style="list-style-type: none"> • Correspondence with FEG
	<p>Calculation of entitlements</p>	<ul style="list-style-type: none"> • Liaising with the payroll team regarding outstanding pre appointment employee entitlement balances • Calculating employee entitlements • Reviewing employee files and company’s books and records • Calculating outstanding superannuation and super guarantee charges, and employee entitlements (pre and post appointment) • Reviewing awards
	<p>Workers compensation claims</p>	<ul style="list-style-type: none"> • Correspondence with insurer regarding initial and ongoing workers compensation insurance requirements
	<p>Other employee issues</p>	<ul style="list-style-type: none"> • Correspondence with Child Support • Correspondence with Department of Home Affairs
<p>Trade On</p>	<p>Trade On Management</p>	<ul style="list-style-type: none"> • Liaising with management and staff

Task Area	General Description	Includes
<p>175.80 hours</p> <p>\$90,665.50</p>		<ul style="list-style-type: none"> • Corresponding with suppliers • Attendance on site • Authorising purchase orders • Maintaining purchase order registry • Key client management • Liaising with landlords, utility providers and other suppliers regarding ongoing trade • Liaising with OSR regarding payroll tax • Liaising with the payroll team and ATO regarding post appointment ATO liabilities and lodgements (PAYG and STP)
	Processing receipts and payments	<ul style="list-style-type: none"> • Entering receipts and payments into accounting system • Preparing and authorising receipt and payment vouchers • Reconciling receipts and payments
	Budgeting and financial reporting	<ul style="list-style-type: none"> • Preparing and reviewing operating cash flow and operations to monitor performance • Daily review of operational cash flow, and forecast cash outlays, and considerations for daily/weekly cash needs • Analysis on debtor invoicing for cashflow purposes • Preparing cash flow monitoring spreadsheet • Analysing trading performance (profit/loss) • Internal meetings to discuss trading position
<p>Investigation</p> <p>8.30 hours</p> <p>\$2,642.00</p>	Conducting investigation	<ul style="list-style-type: none"> • Collection of company books and records • Reviewing company’s books and records • Review of specific transactions
<p>Administration</p> <p>86.80 hours</p>	General	<ul style="list-style-type: none"> • Word processing including correspondence, file notes, agendas and minutes • Care and maintenance of the file

Task Area	General Description	Includes
\$37,813.00		<ul style="list-style-type: none"> Scanning and filing of documents
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> Administration review Document filing and maintenance File reviews Updating checklists
	Insurance	<ul style="list-style-type: none"> Correspondence with insurer regarding initial and ongoing insurance requirements Liaising with internal staff regarding ongoing insurance requirements Corresponding with state workers compensation agencies Analysing data for workers compensation insurance requirements and policy declarations
	Bank account administration	<ul style="list-style-type: none"> Requesting bank statements Entering receipts and payments into accounting system Bank account reconciliations Correspondence with bank regarding specific transactions
	ATO and other statutory reporting	<ul style="list-style-type: none"> Preparation and lodgement of BAS
	Planning / Review	<ul style="list-style-type: none"> Discussions regarding status of administration Internal meetings regarding the administration
	Books and records / storage	<ul style="list-style-type: none"> Dealing with records in storage Sending job files to storage
Global Risk & Investigation Practice (GRIP) 1.80 hours \$540.00	GRIP	<ul style="list-style-type: none"> Corporate record searches on international entities

Schedule 2: Table of major tasks for Resolution 2 remuneration approval

Table 9 below provides a description of the work to be undertaken in each major task area from 14 October 2019 to 31 October 2019 (inclusive).

Table 9: Work to be undertaken from 14 October 2019 to 31 October 2019 (inclusive)

Task Area	General Description	Includes
Assets \$7,500.00	Asset Sale Agreement	<ul style="list-style-type: none"> • Corresponding with purchasers
	Plant and Equipment	<ul style="list-style-type: none"> • Liaising with valuers, auctioneers and interested parties • Reviewing asset listings
	Debtors	<ul style="list-style-type: none"> • Correspondence with Scottish Pacific • Reviewing and assessing debtor ledgers
Creditors \$10,000.00	Creditor Enquiries	<ul style="list-style-type: none"> • Review and prepare correspondence to creditors and their representatives • Responding to creditors and their representatives via telephone, email, facsimile and post
	PPSR Secured Parties	<ul style="list-style-type: none"> • Responding to secured creditor's queries
	Creditor Reports & Circulars	<ul style="list-style-type: none"> • Preparing and issuing general reports and circulars to creditors
	Dealing with Proofs of Debt (PODs) not relating to Dividend	<ul style="list-style-type: none"> • Receipting and filing POD when not related to a dividend • Maintaining POD register • Corresponding with OSR and ATO regarding POD when not related to a dividend

Task Area	General Description	Includes
	Meetings of Creditors	<ul style="list-style-type: none"> • Preparation of meeting notices, proxies and advertisements • Forward notices of meetings to all known creditors • Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meetings and draft minutes of meeting • Liaising with chosen venues to organise logistics of the two adjourned meetings of creditors • Internal discussions regarding meeting procedures • Preparation of minutes of meetings with ASIC • Responding to stakeholder queries and questions immediately following meetings
Employees \$2,500.00	Employees enquiries	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone • Review and prepare correspondence to employees and their representatives via telephone, facsimile, email and post • Receive and prepare correspondence in response to entitlement discrepancies
	Payroll and Human Resources (HR)	<ul style="list-style-type: none"> • Liaising with the Company’s payroll team regarding processing of post appointment wages and employee entitlements (including superannuation)
	FEG	<ul style="list-style-type: none"> • Correspondence with FEG
	Workers compensation claims	<ul style="list-style-type: none"> • Correspondence with insurer regarding initial and ongoing workers compensation insurance requirements
	Other employee issues	<ul style="list-style-type: none"> • Correspondence with Child Support • Correspondence with Department of Home Affairs

Task Area	General Description	Includes
Trade On \$5,000.00	Trade On Management	<ul style="list-style-type: none"> • Corresponding with suppliers • Maintaining purchase order registry • Liaising with OSR regarding payroll tax issues • Liaising with the payroll team and ATO regarding post appointment ATO liabilities and lodgements (PAYG and STP)
	Processing receipts and payments	<ul style="list-style-type: none"> • Entering receipts and payments into accounting system • Preparing and authorising receipt and payment vouchers • Reconciling receipts and payments
	Budgeting and financial reporting	<ul style="list-style-type: none"> • Preparing and reviewing operating cash flow and operations to monitor performance • Daily review of operational cash flow, and forecast cash outlays, and considerations for daily/weekly cash needs • Analysis on debtor invoicing for cashflow purposes • Preparing cash flow monitoring spreadsheet • Finalising trading position (profit/loss) • Internal meetings to discuss trading position
Administration \$5,000.00	General	<ul style="list-style-type: none"> • Word processing including correspondence, file notes, agendas and minutes • Care and maintenance of the file • Scanning and filing of documents
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Administration review • Document filing and maintenance • File reviews • Updating checklists
	Insurance	<ul style="list-style-type: none"> • Correspondence with insurer regarding initial and ongoing insurance requirements

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Correspondence with state workers compensation agencies
	Bank account administration	<ul style="list-style-type: none"> • Requesting bank statements • Entering receipts and payments into accounting system • Bank account reconciliations • Correspondence with bank regarding specific transactions
	ASIC Form 5602 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 911 etc • Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Preparation and lodgement of BAS
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration • Internal meetings regarding the administration
	Books and records / storage	<ul style="list-style-type: none"> • Dealing with records in storage • Sending job files to storage

Schedule 3: FTI Consulting Standard Rates

FTI Consulting Standard Rates effective 1 May 2019 (excluding GST) Corporate Finance & Restructuring		
Typical classification	All Offices \$/hour	General guide to classifications
Senior Managing Director	695	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	625	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	575	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	515	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	465	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	400	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	375	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	335	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	320	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	195	Undergraduate in the latter stage of their university degree.
Administration 2	205	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	165	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

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

FTI Consulting Standard Rates effective 2017 (excluding GST) Global Risk & Investigations Practice	
Typical classification	All Offices \$/hour
Senior Managing Director	580.00
Managing Director	500.00
Senior Director	450.00
Director	400.00
Senior Consultant 2	300.00
Senior Consultant 1	250.00
Consultant 2	180.00
Consultant 1	180.00
Associate 2	180.00
Associate 1	180.00
Project Assistant	60.00
Administration 2	60.00
Administration 1	60.00

Schedule 4: Statement of receipts and payments from 5 August 2019 to 18 October 2019

Xpand Group Pty Ltd (Administrators Appointed)		
Receipts and Payments: 5 August 2019 to 18 October 2019	Note	(\$)
Receipts		
Post-Appointment Debtor Recoveries		3,217,787.29
Cash at bank at appointment		4,509.53
Inter-company direct expense reimbursement receipt		57,757.37
Loan repayment - overseas entity		190,000.00
Interest Income		0.34
Other Income		2,037.04
Sale of Xpand IP and RUB shares (Xpand Singapore and Hong Kong)		792,918.41
Total Receipts		4,265,009.98
Payments		
Wages Deductions Holding Account		455.89
Wages & Salaries		(3,472,371.70)
Post Appointment Annual Leave		(21,670.80)
Bank Charges		(918.13)
PAYG Control (Trading): PAYG Paid (Received)		(923,733.00)
PAYG Control (Trading): PAYG Withheld		954,384.48
Post Appointment Payment in Lieu		(3,516.96)
Payroll Tax		(144,488.76)
Recruitment Software		(67,220.34)
Post Appointment Redundancy		(238.38)
Rent and Outgoings Expense		(87,699.23)
Repairs & Maintenance		(728.56)
Staff Reimbursements		(11,336.13)
Super		(306,804.82)
Super Control (Trading): Salary Sacrifice Withheld		2,118.95
Super Control (Trading): Super Paid (Received)		(1,618.95)
Super Control (Trading): Super Withheld		306,804.82
Utilities		(45,226.72)
Wages & Salaries: Salary Sacrifice Super		(2,411.81)
Scottish Pacific Fixed Management Fee		(6,050.00)
Transfer RUB share sale proceeds to RUB		(485,815.88)
Inter-company Payment		(26,000.00)
Inter-company direct expense reimbursement		(76,023.50)
Interest		(18,480.59)
Legal Fees		(6,589.00)
Total Payments		(4,445,179.12)
Net Receipts/(Payments)		(180,169.14)
Consisting of:		
Cash at Bank		283,224.20
Scottish Pacific Facility Liability	(i)	(463,393.34)
Net Receipts/(Payments)		(180,169.14)

Notes

(i) Figure represents the Scottish Pacific debt secured against the Company's post appointment debtors as at 18 October 2019, this figure is subject to receipt allocations.