

17 May 2019

INITIAL INFORMATION FOR CREDITORS AND SUPPLIERS

TRANSIT CLOTHING ABN 53 798 556 254 TRADED IN PARTNERSHIP BY DOUBLEUP HOLDINGS PTY LTD ACN 114 064 167 (ADMINISTRATORS APPOINTED) ATFT DAY FAMILY TRUST & GGA LIFESTYLE PTY LTD ACN 114 064 158 (ADMINISTRATORS APPOINTED) ATFT FRANCIS FAMILY TRUST ("THE COMPANIES")

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

APPOINTMENT OF VOLUNTARY ADMINISTRATORS

Ian Charles Francis and I, Daniel Hillston Woodhouse, were appointed as Joint and Several Administrators of the Companies on 15 May 2019 by a resolution of the Companies' directors.

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

VOLUNTARY ADMINISTRATION

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

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

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

FTI Consulting (Australia) Pty Limited

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WHAT HAPPENS TO YOUR DEBT?

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

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

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

OPERATIONS AND TRADING

The Administrators have taken control of the operations of the Companies and requested the directors to prepare a report on the Companies' business, property, affairs and financial circumstances.

At the time of our appointment, the Companies operated nine stores in Western Australia; however, operated up to 18 stores at its height in 2011.

We undertook an immediate review of the Companies' financial position. As a result of our review, we have had no choice but to make the difficult decision to close three stores immediately, (Mandurah, Dunsborough and DFO), with the Ocean Keys store to close after trade on Saturday, 18 May 2019. It is our view that this will provide the best chance of the business to continue and provide optimum return to creditors. We are continuing to operate five stores on a "business as usual basis" with a view to achieving a going concern sale or a restructure of the business in the short term.

Your continued cooperation and support is essential to achieving a going concern sale and/or restructure and we thank you in advance for your support.

If you are a supplier or employee, enclosed is a separate communication on how this appointment impacts your ongoing dealings with the Companies. Please refer to *Important statements for all creditors and suppliers* attached.

MEETINGS OF CREDITORS

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

First Meeting of Creditors

When a Company enters into voluntary administration, the Administrators are required to convene a first meeting of creditors within eight (8) business days after the commencement of the voluntary administration. The First Meeting of the Creditors will be held at **9:30AM (WST) on Monday, 27 May 2019 at the Conference Room, Central Park Business Centre, 152-158 St Georges Terrace, PERTH WA 6000.**

In this regard, please find enclosed the following documents:

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

If you intend to appoint another person to act on your behalf at the meeting, or you are a corporate creditor, you are required to complete and return the enclosed proxy form appointing your representative to Damon Brankstone at damon.brankstone@fticonsulting.com or by fax to (08) 9321 8544 by no later than 4:00pm (WST) on Friday, 24 May 2019.

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

Creditors are required to lodge proofs of debt no later than 4:00pm (WST) on **Friday, 24 May 2019**, failing which they may be excluded from voting at the meeting. A Proof of Debt or Claim Form is attached for this purpose. Proofs of Debt may be sent to Mr Brankstone.

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

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

Second Meeting of Creditors

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

COSTS OF THE VOLUNTARY ADMINISTRATION PROCESS

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

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

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



Daniel Woodhouse
Joint and Several Administrator

NOTICES AND ATTACHMENTS INCLUDED IN THIS CIRCULAR

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

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

ADMINISTRATORS' BACKGROUND AND CONTACT DETAILS

ABOUT US

Ian Francis and I, Daniel Woodhouse, are Senior Managing Director's and Managing Director's respectively at FTI Consulting (Australia) Pty Ltd. We are both Registered Liquidators and also Professional Members of the Australian Restructuring Insolvency and Turnaround Association.

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

CREDITOR ENQUIRIES – FIRST MEETING OF CREDITORS AND GENERAL MATTERS

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

Telephone: (08) 9321 8533

Email: damon.brankstone@fticonsulting.com

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

Facsimile: (08) 9321 8544

IMPORTANT STATEMENTS FOR ALL CREDITORS AND SUPPLIERS

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

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

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

EXISTING DEBTS AND CLAIMS CANNOT BE PAID BY ADMINISTRATORS

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

NO SET-OFF AGAINST PRE-APPOINTMENT DEBTS OR CLAIMS

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

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

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

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

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

REQUIREMENTS FOR PARTIES WITH SECURITY INTERESTS AND OTHER CLAIMS

PARTIES WHO ARE REQUIRED TO CONTACT US

Please contact Damon Brankstone on (08) 9321 8533 as soon as possible if you:

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

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

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

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

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

GENERAL STATEMENT

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

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

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

ADMINISTRATORS' TRADING PROCEDURES

PURCHASE ORDER TO BE ISSUED TO SUPPLIERS FOR GOODS AND SERVICES

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

1. A purchase order has been issued for the applicable good or service;
2. It is an authorised purchase order; and
3. The Administrators' liability does not exceed the amount specified on the purchase order.

NEW ACCOUNTS AND OTHER ACCOUNTING PROCEDURES TO BE FOLLOWED

Suppliers must comply with the following procedures:

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

PAYMENTS AND ACCEPTANCE OF LIABILITY FOR GOODS OR SERVICES

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

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

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

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

DETAILS AND NOTICES FOR THE FIRST MEETING OF CREDITORS

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

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

Telephone facilities are available for those creditors wishing to attend by telephone. If you wish to attend by telephone can you please contact Damon Brankstone no later than **4pm Friday, 24 May 2019** that the necessary arrangements can be made.

- **Form - Appointment of Proxy**

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

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

This form allows you to tell us what you are owed by the Companies. You must send us a completed form if you wish to vote for the value of your debt at the meeting.

Return to:

Telephone: (08) 9321 8533

Email: damon.brankstone@fticonsulting.com

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

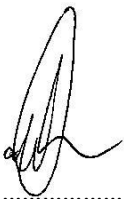
Facsimile: (08) 9321 8544

**TRANSIT CLOTHING ABN 53 798 556 254 TRADED IN PARTNERSHIP BY
DOUBLEUP HOLDINGS PTY LTD ACN 114 064 167 (ADMINISTRATORS APPOINTED) ATFT DAY
FAMILY TRUST & GGA LIFESTYLE PTY LTD ACN 114 064 158 (ADMINISTRATORS APPOINTED) ATFT
FRANCIS FAMILY TRUST
("THE COMPANIES")**

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

1. On 15 May 2019, the Companies, under Section 436A, appointed Daniel Hillston Woodhouse and Ian Charles Francis of FTI Consulting, Level 47, 152-158 St Georges Terrace, PERTH WA 6000, as Joint and Several Administrators of the Companies.
2. Notice is now given that a first meeting of the creditors of the Companies will be held at 9:30AM WST on Monday, 27 May 2019 at the Conference Room, Central Park Business Centre, 152- 158 St Georges Terrace, PERTH WA 6000.
3. The purpose of the meeting is to determine:
 - (a) Whether to appoint a committee of inspection; and
 - (b) If so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - (a) Remove the administrator(s) from office; and
 - (b) Appoint someone else as administrator(s) of the Companies.

Dated this 17th day of May 2019



..... **Daniel Woodhouse**

Joint and Several Administrator

C/- FTI Consulting

Level 47, 152-158 St Georges Terrace

PERTH WA 6000

**TRANSIT CLOTHING ABN 53 798 556 254 TRADED IN PARTNERSHIP BY
DOUBLEUP HOLDINGS PTY LTD ACN 114 064 167 (ADMINISTRATORS APPOINTED) ATFT DAY FAMILY TRUST &
GGA LIFESTYLE PTY LTD ACN 114 064 158 (ADMINISTRATORS APPOINTED) ATFT FRANCIS FAMILY TRUST
("THE COMPANIES")**

I/We (name)

.....

of (address)

.....

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

.....

or in his/her absence (add alternate proxy)

as my/our general proxy OR special proxy to vote at the meeting of creditors to be held at 9:30AM WST on Monday, 27 May 2019 at the Conference Room, Central Park Business Centre, 152-158 St Georges Terrace, PERTH WA 6000 or at any adjournment of that meeting.

Voting instructions - for special proxy only

For

Against

Abstain

Resolution

To appoint a committee of inspection.

To remove the Administrators and appoint someone else as administrator(s) of the above company.

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:

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

APPOINTMENT OF PROXY FORM

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

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

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

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

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

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

FORMAL PROOF OF DEBT OR CLAIM FORM

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

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

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

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

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

INITIAL ADVICE TO CREDITORS – BASIS OF ADMINISTRATORS' REMUNERATION

REMUNERATION METHODS

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

Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

Fixed fee

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

Percentage

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

Contingency

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

METHOD PROPOSED

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

ESTIMATE OF REMUNERATION FOR THE VOLUNTARY ADMINISTRATION

Due to the Voluntary Administration being over two Companies and a trading partnership we estimate our remuneration for undertaking the administrations will be between \$150,000 and \$200,000 (exclusive of GST), subject to the following variables which may have a significant effect on this estimate and that we are unable to determine until the voluntary administration has commenced:

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

Prior to my appointment, I provided an estimate of the cost of the administration to the directors. This estimate is consistent with the estimate provided to the directors prior to my appointment

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

EXPLANATION OF HOURLY RATES

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

DISBURSEMENTS

Disbursements are divided into three types:

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

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

I am required to obtain creditors’ consent for the payment of internal disbursements not charged at cost, prior to these disbursements being paid from the administration. These disbursements typically include photocopying, printing and facsimile costs.

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

Nature of Disbursement	Rate (excluding GST)
Advertising and search fees	At cost
Couriers and deliveries	At cost
Postage	At cost
Staff travel – mileage	Cents per km method (per ATO rates)
Other staff travel/out of pockets	At cost
Storage of records (including boxes)	At cost

**FTI Consulting CF&R Standard Rates effective 1 May 2019
(excluding GST)**

Typical classification	Standard Rates \$/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 review.

**DOUBLEUP HOLDINGS PTY LTD ACN 114 064 167 (ADMINISTRATORS APPOINTED) ATFT DAY
FAMILY TRUST & GGA LIFESTYLE PTY LTD ACN 114 064 158 (ADMINISTRATORS APPOINTED) ATFT
FRANCIS FAMILY TRUST (“THE COMPANIES”) TRADING IN PARTNERSHIP AS TRANSIT CLOTHING
ABN 53 798 556 254**

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS, AND INDEMNITIES

This document requires the Practitioner(s) appointed to an insolvent entity to make declarations as to:

- A. Their independence generally;
- B. Relationships, including:
 - i. The circumstances of the appointment;
 - ii. Any relationships with the Companies and others within the previous 24 months;
 - iii. Any prior professional services for the Companies within the previous 24 months;
 - iv. That there are no other relationships to declare; and
- C. Any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of Ian Francis and Daniel Woodhouse, our fellow Senior Managing Directors/Managing Directors, FTI Consulting (Australia) Pty Ltd (“**FTI Consulting**” or “**Firm**”) and associated entities.

A. INDEPENDENCE

We, Ian Francis and Daniel Woodhouse, of FTI Consulting, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint and Several Administrators of the Companies in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. DECLARATION OF RELATIONSHIPS

i. Circumstances of appointment

This appointment was referred to FTI Consulting by Blackwall Legal, who are the Companies’ lawyers. We believe that this referral does not result in us having a conflict of interest or duty because of the following reasons:

- a) Blackwall Legal refers insolvency-related work to FTI Consulting from time to time. Neither us, nor FTI Consulting have any formal or informal referral arrangements with

Blackwall Legal, and to our knowledge they do not exclusively refer such work to us or FTI Consulting;

- b) FTI Consulting is not reliant upon referrals from Blackwall Legal, who are one of a considerable number of firms, organisations and persons who refer work to, or seek advice from, FTI Consulting. This engagement is not financially significant to FTI Consulting and the receiving or otherwise of other referrals from Blackwall Legal is not material to FTI Consulting;
- c) Work referrals arising from networks of business professionals, advisors and other persons are normal and accepted arrangements, and do not inherently impact on us discharging our statutory duties and obligations with independence and impartiality;
- d) There are no conditions on the conduct or outcome of this administration arising from the referral, including no fees/commissions, agreements for work in the administration, or other benefits.

Daniel Woodhouse and Nathan Stubing attended two meetings with Blackwall Legal and the Companies' Directors Glen Francis and Tim Day ("**Directors**") on 3 May 2019 and 13 May 2019.

The purposes of the meetings were:

- (a) To obtain sufficient information about the Companies to enable discussion around the financial position of the Companies;
- (b) To explain the various forms of insolvency appointments, the options available, and the consequences of an insolvency appointment;
- (c) To outline the process following an insolvency appointment; and
- (d) For us to provide a Consent to Act.

A written proposal was also provided to the Directors, which outlined the Voluntary Administration process.

We received no remuneration for any pre-insolvency advice provided to the Companies, or any other pre-appointment discussions.

The meetings do not affect our independence for the following reasons:

- the Courts and the ARITA's Code of Professional Practice specifically recognises the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- the nature of the advice provided to the Companies is such that it would not be subject to review and challenge during the course of our appointment;

- no advice has been given to the Directors in their capacity as directors of the Companies, or in relation to their personal capacity; and
- the pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the appointment as Joint and Several Administrators of the Companies in an objective and impartial manner.

ii. Relevant Relationships (excluding Professional Services to the Insolvent)

Neither we, nor FTI Consulting, have, or have had within the preceding 24 months, any relationships with the Companies, an associate of the Companies, a former insolvency practitioner appointed to the Companies, or any person or entity that has security over the whole, or substantially the whole of the Companies' property.

iii. Prior Professional Services to the Insolvent

Neither we, nor our Firm have provided any professional services to the Companies in the previous 24 months except for the services detailed in section (i) above.

iv. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Companies, an associate of the Companies, a former insolvency practitioner appointed to the Companies or any person or entity that has security over the whole or substantially whole of the Companies' property that should be disclosed.

C. INDEMNITIES AND UP-FRONT PAYMENTS

Immediately prior to our appointment, the Companies released \$9,000 in two installments (\$5,000 and \$4,000) into FTI Consulting's trust account to contribute to trading costs.

This does not include statutory indemnities. We have not received any other indemnities or upfront payments that should be disclosed.



.....
Daniel Woodhouse



.....
Ian Francis

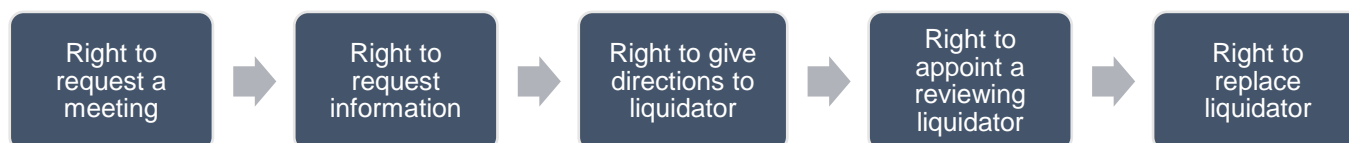
Date: 16 May 2019

NOTE:

1. If circumstances change, or new information is identified, I am/we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

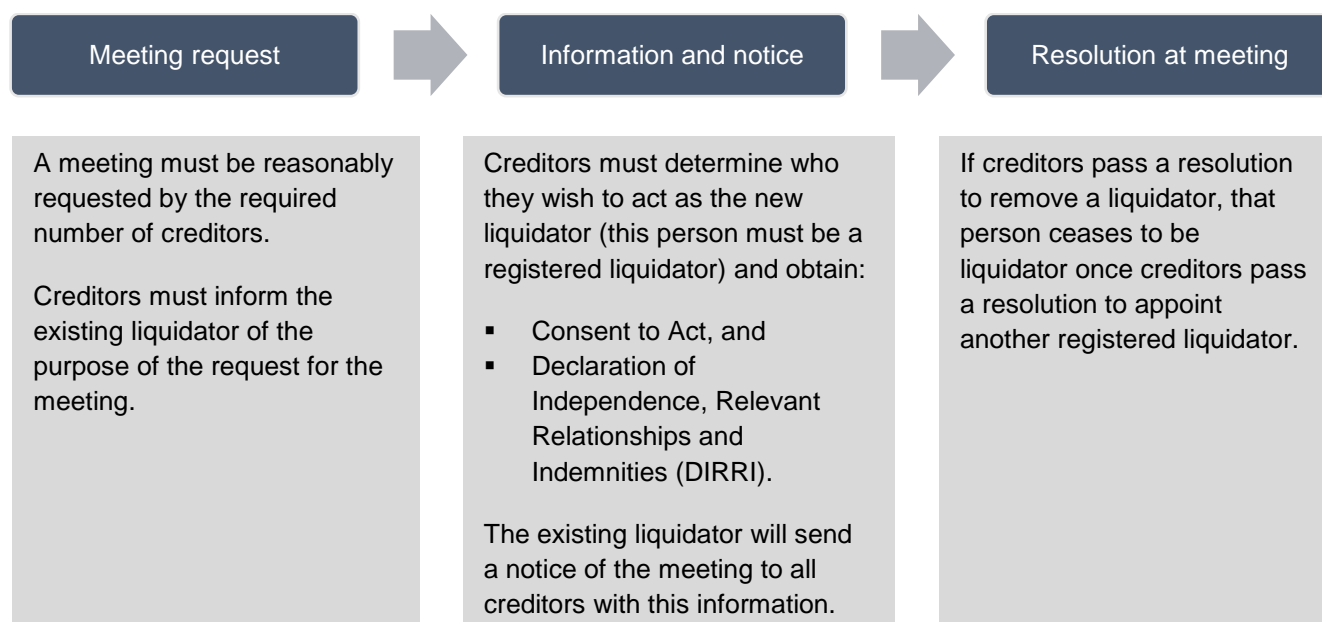
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

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

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.