

ACN 009 161 522 LIMITED
(Subject to Deed of Company Arrangement)
(Receivers and Managers Appointed)

(FORMERLY 'SUBZERO GROUP LIMITED')

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at the offices of Grant Thornton, at Level 17, 383 Kent Street, Sydney, New South Wales on Friday, 8 September 2017 at 10.30am (AEST).

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company.

If Shareholders do not approve the Recapitalisation Proposal, then the Deed Administrators will, in the absence of any other deed of company arrangement proposal or a variation to the terms of the DOCA, have no other option but to recommend to the Creditors that the Company be put into liquidation. In those circumstances, it is unlikely that there will be any return to Shareholders.

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Deed Administrators by telephone on 1300 912 776.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice of General Meeting

ACN 009 161 522 LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS AND MANAGERS APPOINTED)

ACN 009 161 522

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of ACN 009 161 522 Limited (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (formerly 'SubZero Group Limited') (**Company**) will be held at the offices of Grant Thornton, at Level 17, 383 Kent Street, Sydney, New South Wales, on Friday, 8 September 2017 at 10.30am (AEST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 6 September 2017 at 10.30am (AEST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 - Consolidation of capital

To consider and, if thought fit, to pass, with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Recapitalisation Resolutions being passed, pursuant to and in accordance with section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every 30 Shares be consolidated into 1 Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who is excluded from voting on any other Recapitalisation Resolution, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 - Approval to issue Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Recapitalisation Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 47,000,000 Shares (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by:

- (a) a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any associates of those persons; and
- (b) a person who is excluded from voting on any other Recapitalisation Resolution, and any associates of those persons.

However, the Company will not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 - Approval to issue Lead Manager Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Recapitalisation Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 50,000,000 Options (on a post-Consolidation basis) to Otsana (or its nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by:

- (a) Otsana (or its nominees) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any associates of those persons; and
- (b) a person who is excluded from voting on any other Recapitalisation Resolution, and any associates of those persons.

However, the Company will not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (d) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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4. Resolution 4 - Election of Director - Kyla Garic

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Recapitalisation Resolutions being passed Kyla Garic, being eligible and offering herself for election, be elected as a Director."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who is excluded from voting on any other Recapitalisation Resolution, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
 - (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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5. Resolution 5 - Election of Director - Nicholas Young

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Recapitalisation Resolutions being passed, Nicholas Young, being eligible and offering himself for election, be elected as a Director."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who is excluded from voting on any other Recapitalisation Resolution, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
 - (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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6. Resolution 6 - Election of Director - Michael Davy

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Recapitalisation Resolutions being passed, Michael Davy, being eligible and offering himself for election, be elected as a Director."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who is excluded from voting on any other Recapitalisation Resolution, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 7 - Approval of change of auditor

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to ASIC consenting to the resignation of PricewaterhouseCoopers as auditor of the Company that, pursuant to section 327B of the Corporations Act and for all other purposes, RSM Australia Partners be appointed as auditor of the Company with effect from the later of the conclusion of the Meeting and the day on which ASIC gives its consent."

8. Resolution 8 - Replacement of constitution

To consider, and if thought fit to pass as a special resolution the following:

"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair for identification purposes."

FOR AND ON BEHALF OF THE DEED ADMINISTRATORS

Philip Campbell-Wilson
Joint and several Deed Administrator
of ACN 009 161 522 Limited
(Subject to Deed of Company Arrangement)
(receivers and managers appointed)
Dated: 8 August 2017

ACN 009 161 522 LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS AND MANAGERS APPOINTED)

ACN 009 161 522

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of Grant Thornton, at Level 17, 383 Kent Street, Sydney, New South Wales, on Friday, 8 September 2017 at 10.30am (AEST).

The Explanatory Memorandum forms part of the Notice, which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Overview
Section 4	Resolution 1 - Consolidation of capital
Section 5	Resolution 2 - Approval to issue Placement Shares
Section 6	Resolution 3 - Approval to issue Lead Manager Options
Section 7	Resolutions 4, 5 and 6 - Election of Directors - Kyla Garic, Nicholas Young and Michael Davy
Section 8	Resolution 7 - Approval of change of auditor
Section 9	Resolution 8 - Replacement of constitution
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Lead Manager Options
Annexure A	Nomination of auditor

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to this Explanatory Memorandum. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

The Chair intends to exercise all available proxies in favour of all Resolutions.

3. Overview

3.1 Background

The Company was incorporated on 7 January 1986 and admitted to the Official List of ASX on 12 March 1987. The Company is the ultimate holding company of a group of mining services companies that services the NSW Hunter Valley's thermal coal mining industry.

The Company's securities were suspended from official quotation on 5 January 2015 at the request of the Company, and have remained suspended since that date. This was due to the Company entering the process of recapitalising or selling all or parts of the business. The process was initially expected to be completed by 31 March 2015 however the suspension is still in place at the date of the Notice.

The Group holds loan facilities with Macquarie Bank Limited (**Macquarie**) secured by corporate guarantees over the Group's assets and supported the turnaround plan by providing additional working capital of \$1.5 million in February 2015. At 30 June 2015, the Group breached its debt covenants with respect to its major banking facilities with Macquarie. Subsequent to 30 June 2015, the Group's financiers waived non-compliance with the interest cover ratio and net leverage ratio covenants, however Macquarie maintained its rights to enforce its security. Macquarie later provided the Group with further working capital of \$1 million in late September 2015.

On 12 February 2016, Mr Philip Campbell-Wilson and Mr Adam Nikitins of Ernst & Young were appointed as joint and several voluntary administrators of the Group (**Voluntary Administrators**). The appointment of the Voluntary Administrators was made concurrently with the appointment of Mr Ryan Eagle and Mr Morgan Kelly of Ferrier Hodgson as receivers and managers over the business and assets of the Group (**Receivers**). The appointment of both the Voluntary Administrators and the Receivers was made by the security trustee, Macquarie.

On 3 October 2016, the Receivers announced the completion of the sale of the business and assets of the Group (excluding the Group's labour hire and harness master business and a 50% interest in the Moranbah joint venture) to Management Resource Solutions PLC.

On 25 November 2016, the Voluntary Administrators announced that at a meeting of creditors of the Company on 14 November 2016, the creditors resolved that the Company execute a deed of company arrangement (**Original DOCA**). The creditors also resolved to wind up the the Company's subsidiary entities and that Mr Philip Campbell-Wilson and Mr Adam Nitikins be appointed as joint and several liquidators of those subsidiary entities. The purpose of the Original DOCA was to put in place a moratorium on all unsecured debts to enable a recapitalisation of the Company.

The Voluntary Administrators estimate that the claims of the Company's creditors are as follows:

- (a) approximately \$9.37 million owing to unsecured creditors; and
- (b) approximately \$26.26 million owing to secured creditors of which approximately \$22.76 million is owing to Macquarie pursuant to a circulating security interest with a syndicated loan facility.

There are also numerous registered security interests on the Personal Property Securities Register against the Company.

3.2 Otsana Recapitalisation Proposal

A recapitalisation proposal typically involves an injection of new cash into a company that is either in financial distress or has been placed into voluntary administration. In the ordinary course, the entity will retain some or all of its assets and seek reinstatement to trading following completion of the recapitalisation.

On 3 March 2017, the creditors resolved to approve a variation to the Original DOCA and on 3 March 2017, the Company, the Deed Administrators, Macquarie and Otsana Pty Ltd (**Otsana**) executed a varied deed of company arrangement (**DOCA**), which embodied a proposal by Otsana for the recapitalisation of the Company (**Recapitalisation Proposal**). Mr Philip Campbell-Wilson and Mr Adam Nitikins were appointed as joint and several administrators of the DOCA (**Deed Administrators**).

If the Recapitalisation Proposal is approved and the DOCA is effectuated, all claims of creditors against the Company will be extinguished, discharged and released.

A summary of the material terms of the Recapitalisation Proposal is set out below:

- (a) the Company and the Deed Administrators will establish the Creditors' Trust, with the Deed Administrators acting as trustees;
- (b) the assets of the Company will be transferred to the Creditors' Trust, including an amount of \$440,000 (including GST) to be constituted by the following payments:
 - (i) \$30,000 (**Deposit**), paid by Otsana upon execution of the DOCA; and
 - (ii) \$410,000 (**Recapitalisation Payment**), to be paid by Otsana upon Shareholder approval of the Recapitalisation Resolutions. The Deposit and Recapitalisation Payment are to be repaid to Otsana upon reinstatement of the Company's securities to the Official List;

- (c) all creditors, including Macquarie, will be required to prove debts against the Trustees of the Creditors' Trust as if they were claimed in a liquidation of the Company and payments in respect of admitted claims of the creditors will be made in accordance with the DOCA and the Creditors' Trust Deed;
- (d) upon completion of the DOCA, the funds in the Creditors' Trust will be distributed as follows:
 - (i) first, to the Voluntary Administrators, Deed Administrators and Trustees for their remuneration and disbursements incurred in the voluntary administration of the Company, and the administration of the Original DOCA, the DOCA and the Creditors' Trust;
 - (ii) second, to any priority creditors (other than Macquarie) pro rata according to the amount for which each creditor shall be admitted to proof pursuant to the Creditors' Trust Deed;
 - (iii) third, to any remaining creditors (including Macquarie) who have had their claims accepted by the Deed Administrators or Trustees; and
 - (iv) the balance, if any, to be returned to the Company immediately upon the distribution of the last dividend pursuant to the Creditors' Trust Deed; and
- (e) the Deed Administrators will cause the current Company Secretary and Directors of the Company to be removed and appoint nominees of Otsana Capital as Company Secretary and Directors of the Company;
- (f) all security over the Company's assets will be discharged and released;
- (g) the Company will undertake the Consolidation;
- (h) the Company will issue the following Securities:
 - (i) up to 47,000,000 Shares at \$0.02 each to raise up to \$940,000; and
 - (ii) up to 50,000,000 Lead Manager Options as consideration for advisory services provided by Otsana to the Company; and
- (i) the Company will issue such other securities as are required by Otsana.

Key conditions precedent for completion of the DOCA include:

- (a) payment of the Deposit and Recapitalisation Payment;
- (b) discharge and release of all security over the Company's assets;
- (c) the Company obtaining ASX waivers from Listing Rules 1.1 Condition 12 and 2.1 Condition 2;
- (d) all subsidiaries being excised from the Company;
- (e) termination or repudiation of existing employment and service contracts; and
- (f) Shareholder approval being obtained to give effect to the Recapitalisation Proposal.

For the avoidance of doubt, upon completion of the DOCA the Company will be debt free and no security will exist over it or any of its assets.

The conditions precedent must be satisfied by 30 September 2017 or such later date as may be agreed in writing between the Deed Administrators and Otsana.

From termination of the DOCA, control of the Company reverts to the officers of the Company.

3.3 Creditors' Trust Deed

A creditors' trust is a mechanism used to accelerate a company's exit from external administration. Under the terms of a deed of company arrangement, a trust is created and the company's obligations to creditors which are bound by the deed of company arrangement are then compromised and transferred to the trust. Creditors become beneficiaries of the trust. The purpose of the trust is to deal with the debts and claims against the company that, but for the release of claims under the deed of company arrangement, would have been payable by the company.

The deed of company arrangement terminates upon creation of the trust. When the deed of company arrangement terminates, the company ceases to be externally administered and the directors regain full control of the company.

The DOCA provides for the creation of a creditors' trust to which the assets of the Company will be transferred and realised in satisfaction of creditors' claims. The assets of the Creditors' Trust will comprise the Deposit, the Recapitalisation Payment and any remaining assets of the Company that are realised by the Deed Administrators or Trustees.

The fund will be distributed by the Trustees *first* to satisfy the Voluntary Administrators', Deed Administrators' and Trustees' remuneration and expenses incurred in administering the voluntary administration of the Company, the Original DOCA, DOCA and the Creditors' Trust, *next* to satisfy any priority creditors (other than Macquarie) who have had their claims admitted by the Deed Administrators or Trustees, rateably, and *lastly*, any remainder will be available for distribution to ordinary unsecured creditors *pari passu*.

3.4 New directors and constitution

As noted above, it is a term of the DOCA that the existing directors are removed and nominees of Otsana be appointed to the Board. Accordingly, Mr Joe Clayton resigned as Director effective 29 June 2017 and Mr Nicholas Young, Mr Michael Davy and Ms Kyla Garic were appointed as Directors effective 29 June 2017. In addition, Ms Garic was appointed as Company secretary.

The Company seeks Shareholder approval of Resolutions 4, 5 and 6 for the election of Ms Garic, Mr Young and Mr Davy as Directors.

The Company also seeks Shareholder approval pursuant to Resolution 8 to adopt a replacement constitution to incorporate amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted in 2003.

3.5 Indicative capital structure

The current capital structure of the Company is as follows:

Security	Number
Shares	252,915,402

Upon completion of the Recapitalisation Proposal (including the Consolidation), the Company's indicative capital structure will be as follows:

Shares	Number	%
Existing Shares (post-Consolidation and subject to rounding)	8,430,513	15.21
Placement Shares (Resolution 2)	47,000,000	84.79
Total Shares	55,430,513	100.00
Options	Number	%
Existing Options	-	-
Lead Manager Options (Resolution 3)	50,000,000	100.00
Total Options	50,000,000	100.00

No party, alone or by association, will have a relevant interest of more than 20% of the voting power of the Company upon completion of the DOCA.

3.6 Reinstatement to official quotation

The Company's securities have been suspended from official quotation since 5 January 2015.

Completion of the DOCA and subsequent exit from external administration will not place the Company in a position to seek reinstatement of its securities to the Official List; the Company will first be required to re-comply with Chapters 1 and 2 of the Listing Rules.

Pursuant to Guidance Note 33, any entity that has been in continuous suspension for more than three years, as the Company has been since 5 January 2015, will be automatically delisted on the third anniversary of its suspension date if it is still suspended. Accordingly, the Company has until 5 January 2018 to implement a transaction that will result in the resumption of trading in its securities before it will be automatically removed from the Official List.

ASX may agree to a short extension of this deadline if the Company can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities within a reasonable period. For these purposes, ASX defines "final stages" as:

- (a) having announced the transaction to the market;

- (b) having signed definitive legal agreements for the transaction (including any financing required in respect of the transaction);
- (c) if the transaction requires a prospectus or product disclosure statement to be lodged with ASIC, having lodged that document with ASIC; and
- (d) if the transaction requires security holder approval, having obtained that approval.

The Company will focus on assessing and acquiring a new project or projects following completion of the DOCA. The Company will initially operate with a very broad mandate and consider businesses and assets at various stages of development. Otsana, as proponent of the Recapitalisation Proposal, has already commenced reviewing and entered into negotiations to acquire various businesses and assets with the aim of recommending the acquisition of a new undertaking to the Company shortly following completion of the DOCA.

The acquisition of a new undertaking will first require shareholder approval, following which the Company will be required to re-comply with Chapters 1 and 2 of the Listing Rules as if the Company were being admitted for the first time.

As part of this process, the Company will likely be required to undertake a further capital raising prior to reinstatement of its securities to the Official List and/or issue securities to vendors of the new undertaking.

Approval for any further issues of Securities will be sought at the time of the acquisition of a new undertaking is approved, noting that such figures may be adjusted. Shareholders should therefore expect their holdings to be further diluted as part of the re-compliance process.

3.7 Effect of the Recapitalisation Proposal

For the purposes of this Explanatory Memorandum, the information below is provided for the consideration of Shareholders.

The Company's shares were last traded on ASX on 2 January 2015 and voluntary administrators were appointed to the Company on 11 February 2016. Accordingly, historical ASX share trading prices for the Company are not considered a reliable basis to assess the value of the new Shares issued pursuant to the Recapitalisation Proposal.

Due to the Company's current state of affairs, the lack of profit history and the immediate lack of a reliable future cash flow from remaining assets, maintainable earnings are not considered a reliable basis to assess the value of the Company's shares.

The Deed Administrators estimate that, in a liquidation scenario, it is unlikely that there will be sufficient funds available to pay the claims of unsecured creditors, such that creditors may receive a nil return if the Recapitalisation Proposal does not proceed (and no alternative proposal is received or the DOCA varied). Therefore, in a liquidation scenario, the Shareholders' return from the Company is most likely to be nil. Accordingly, the current implicit value of the Company's Shares as at the date of this Notice is nil.

The advantages of passing the Resolutions and subsequent completion of the Recapitalisation Proposal include:

- (a) a cash injection of \$940,000;

- (b) the provable debts of the Company to its creditors being extinguished and released. This will leave the Company with negligible liabilities; and
- (c) the Company's ability to seek reinstatement of its shares to quotation on the Official List being enhanced. Once the Company obtains reinstatement to trading Shareholders will be offered liquidity to sell their post-Consolidation shareholdings on the ASX.

The principal disadvantage of the Recapitalisation Proposal is that existing Shareholders will have their holdings diluted following the Consolidation on a 30 for 1 basis and the issue of the Placement Shares pursuant to Resolution 2. However, this must be balanced with the fact that the existing Shares currently have nil value and, should the Recapitalisation Proposal not proceed, the Company may be placed into liquidation. Following completion of the Recapitalisation Proposal, the existing Shareholders' reduced holdings will have value based on the cash injection to the Company. Once the Company's securities are reinstated to trading on ASX (following re-compliance with Chapters 1 and 2 of the Listing Rules), existing Shareholders' reduced holdings will also return to liquidity.

If Shareholders do not approve the Recapitalisation Proposal, then the Deed Administrators will, in the absence of any other deed of company arrangement proposal or a variation to the terms of the DOCA, have no other option but to recommend to creditors that the Company be put into liquidation.

4. Resolution 1 - Consolidation of capital

4.1 Legal requirements

Section 254H of the Corporations Act provides that a company may, by ordinary resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

4.2 Fractional entitlements

Not all Security holders will hold that number of Securities which can be evenly divided by 30. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

4.3 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Deed Administrators (nor the Deed Administrators' advisers), accept any responsibility for the individual taxation implications arising from the Consolidation.

4.4 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

4.5 Effect on capital structure

The approximate effect which the Consolidation will have on the Company's current capital structure is set out in the table below. All numbers are subject to rounding. A table of the indicative capital structure of the Company post-completion of the Recapitalisation Proposal is set out in Section 3.5 of this Explanatory Memorandum.

Security	Current	Post-Consolidation
Shares	252,915,402	8,430,513

4.6 Consolidation timetable

If Resolution 1 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the Listing Rules). There will be no deferred trading of post-Consolidation securities as the Company's securities will remain suspended throughout the consolidation process:

Action	Date (2017)
Company announces Consolidation and sends out Notice	Tuesday, 8 August
Company informs ASX that Shareholders have approved the Consolidation	Friday, 8 September
Last day for Company to enter transfers on a pre-Consolidation basis	Monday, 11 September
First day for Company to: <ul style="list-style-type: none">- send notice to each Security holder of the change in their details of Security holdings- register Securities on a post-Consolidation basis	Thursday, 14 September
Issue Date Last day for Company to send notice to each Security holder	Wednesday, 20 September

5. Resolution 2 - Approval to issue Placement Shares

5.1 General

As required under the DOCA and the Recapitalisation Proposal, the Company intends to undertake a placement of up to 47,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.02 (**Placement Shares**) to sophisticated or professional investors who are clients of Otsana to raise up to \$940,000 (before costs).

Resolution 2 is an ordinary resolution and is subject each of the other Recapitalisation Resolutions being passed.

If Resolution 2 (together with the other Recapitalisation Resolutions) is not passed, then the Deed Administrators shall, in the absence of an alternative proposal, have no

other option but to recommend to the creditors that the Company be placed into liquidation.

5.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period without shareholder approval.

The effect of Resolution 2 will be to allow the Company to issue the Placement Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Placement Shares:

- (a) the maximum number of Placement Shares to be issued is 47,000,000 (on a post-Consolidation basis);
- (b) the Placement Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated they will be issued on one date;
- (c) the issue price will be \$0.02 per Placement Share;
- (d) the Placement Shares will be issued to clients of Otsana, each of whom will be a sophisticated or professional investor who is not a related party of the Company;
- (e) the Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the issue of the Placement Shares to repay the Deposit and the Recapitalisation Payment to Otsana upon reinstatement of the Company's securities to the Official List, and for general working capital; and
- (g) the issue of the Placement Shares may occur progressively; and
- (h) a voting exclusion statement is included in the Notice.

6. Resolution 3 - Approval to issue Lead Manager Options

6.1 General

As required under the DOCA and Recapitalisation Proposal, the Company intends to undertake a placement of 50,000,000 Options (on a post-Consolidation basis) Otsana (or its nominees) as consideration for lead manager services provided by Otsana to the Company (**Lead Manager Options**). The Company expects that ASX will apply a two year escrow period to the Lead Manager Options from the date the Company's securities recommence quotation on ASX.

Resolution 3 is an ordinary resolution and is subject each of the other Recapitalisation Resolutions being passed.

If Resolution 3 (together with the other Recapitalisation Resolutions) is not passed, then the Deed Administrators shall, in the absence of an alternative proposal, have no other option but to recommend to the creditors that the Company be placed into liquidation.

6.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 5.2 above.

The effect of Resolution 3 will be to allow the Company to issue the Lead Manager Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Lead Manager Options:

- (a) the maximum number of Lead Manager Options to be issued is 50,000,000 (on a post-Consolidation basis);
- (b) the Lead Manager Options will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Lead Manager Options will be issued for nil cash consideration in satisfaction of advisory services provided by Otsana to the Company;
- (d) the Lead Manager Options will be issued to Otsana (or its nominees), each of whom is a sophisticated or professional investor who is not a related party of the Company;
- (e) the Lead Manager Options will each be exercisable at \$0.04 on or before the date that is not more than 4 years after their issue on the terms and conditions set out in Schedule 2;
- (f) no funds will be raised from the issue of the Lead Manager Options as the Lead Manager Options will be issued in consideration for services provided to the Company;
- (g) the issue of the Lead Manager Options may occur progressively; and
- (h) a voting exclusion statement is included in the Notice.

7. Resolutions 4, 5 and 6 - Election of Directors - Kyla Garic, Nicholas Young and Michael Davy

7.1 General

Rule 11.4.1 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.

A retiring Director is eligible for election by Shareholders under Rule 11.4.2 of the Constitution.

Ms Kyla Garic, Mr Nicholas Young and Mr Michael Davy were appointed as Non-Executive Directors on 29 June 2017. Accordingly, each of Ms Garic, Mr Young and Mr Davy retires as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director.

Resolutions 4, 5 and 6 are ordinary resolutions and are subject to each of the Recapitalisation Resolutions being passed.

If Resolutions 4, 5 and 6 (together with the other Recapitalisation Resolutions) are not passed, then the Deed Administrators shall, in the absence of an alternative proposal, have no other option but to recommend to the creditors that the Company be placed into liquidation.

7.2 Kyla Garic

Ms Garic is a Chartered Accountant and Director of Onyx Corporate. Onyx Corporate provides financial reporting and accounting services, including reconstruction and accounting compliance for companies undergoing recapitalisation. Ms Garic is currently a non-executive director of ASX-listed Aquaint Capital Holdings Ltd (Subject to Deed of Company Arrangement).

7.3 Nicholas Young

Mr Young holds a Bachelor of Commerce, majoring in Accounting and Finance, is a Chartered Accountant and has completed the Insolvency Education Program at the Australian Restructuring Insolvency and Turnaround Association. Nicholas commenced his career in the Corporate Restructuring division of an accounting firm and has gained valuable experience in Australia and Southern Africa, across a wide range of industries, including mining and exploration, mining services, renewable energy, professional services, manufacturing and transport. Mr Young has been involved in the recapitalisation of various ASX-listed companies and is currently a non-executive director of MHM Metals Limited.

7.4 Michael Davy

Mr Davy is an accountant with 15 years' experience. His experience is broad having worked in oil and gas, resources, property, food distribution, restaurants and start-up technology companies. Mr Davy is also a director and owner of a number of successful private companies. During the past five years Mr Davy has held directorships in numerous ASX listed companies.

8. Resolution 7 - Approval of change of auditor

PricewaterhouseCoopers (PWC) has been the auditor of the Company since 2013. During this time, PWC has conducted the audit in an effective and competent manner.

Due to the Company's Recapitalisation, the Deed Administrators have deemed it more suitable to have the Company's auditor located in Perth, Western Australia, being the same location as the proponent of the DOCA.

Under the section 327B(1)(a) of the Corporations Act, members must approve the appointment of a new auditor.

PWC has submitted its resignation as auditor of the Company and advised the Company that it has applied to ASIC for consent to resign effective from the later of the conclusion of the Meeting and the day on which ASIC gives its consent. The Company expects that ASIC will give its consent prior to the Meeting.

On the assumption that ASIC consents to PWC's resignation as auditor, Gavin Moss, as the liquidator of a Shareholder of the Company, has nominated RSM Australia Partners of 8 St Georges Terrace, Perth, Western Australia, to act as the auditor of the Company. In accordance with section 328B(3)(c) of the Corporations Act, a copy of the notice of nomination is included in the Annexure.

RSM Australia Partners has provided its consent to its appointment as auditor of the Company, subject to ASIC consenting to the resignation of PWC as auditor of the Company and the approval by Shareholders.

9. Resolution 8 - Replacement of constitution

9.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and the Listing Rules.

This will incorporate amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted in 2003.

It is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

These amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Deed Administrators (+61 1300 912 776).

Shareholders are invited to contact the Company if they have any queries or concerns.

9.2 Summary of material proposed changes

- (a) Minimum Shareholding (clause 2.6 and schedule 3)

Clause 2.6 and schedule 3 of the Proposed Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel"

of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act and the Listing Rules such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Schedule 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

(b) Fee for registration of off market transfers (clause 4.6)

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 4.6 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(c) Dividends (clause 10)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

(d) Partial (proportional) takeover provisions

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

9.3 Information required by section 648G of the Corporations Act

(a) Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(b) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(c) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company. However, as discussed in section 3.7 above, Otsana, as proponent of the Recapitalisation Proposal, has already commenced reviewing and entered into negotiations to acquire various businesses and assets with the aim of recommending the acquisition of a new undertaking to the Company shortly following completion of the DOCA. This has not influenced the decision in proposing to include proportional takeover provisions in the proposed new Constitution.

(d) Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (v) proportional takeover bids may be discouraged;
- (vi) lost opportunity to sell a portion of their Shares at a premium; and
- (vii) the likelihood of a proportional takeover bid succeeding may be reduced.

(e) Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 8.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian dollars.

AEST means Australian Eastern Standard Time, being the time in Sydney, New South Wales.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Business Day has the meaning given in the Listing Rules.

Chair means the person appointed to chair the Meeting.

Company means ACN 009 161 522 Limited (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (ACN 009 161 522).

Consolidation means the proposed 30 for 1 consolidation of the Company's Securities as set out in Resolution 1.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Creditors' Trust means the creditors' trust established under the Creditors' Trust Deed.

Creditors' Trust Deed means the trust deed to be entered into by the Company and the Deed Administrators as Trustees, pursuant to the terms of the DOCA, for and on behalf of the Company's creditors.

Deed Administrators means Mr Philip Campbell-Wilson and Adam Nikitins of Ernst & Young in their capacity as administrators of the DOCA.

Director means a director of the Company.

DOCA means the deed of company arrangement dated 3 March 2017 between the Company, the Deed Administrators, Otsana and Macquarie.

Equity Security has the meaning given in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice.

Group includes the Company, A.C.N. 153 511 212 Pty Limited (Formerly known as: SubZero Holdings Pty Limited), A.C.N. 111 133 156 Pty Limited (Formerly known as: S F Auto Australia Pty Ltd (Trustee For The Bro Built Group Unit Trust)), SubZero Labour Services Pty Ltd, Harness Master Wiring Systems (NSW) Pty Ltd, A.C.N. 158 542 244 Pty Limited (Formerly known as: Hydraulic Isolator & Safety Technology Pty Ltd), A.C.N. 104 903 139 Pty Limited (Formerly known as: DMST Pty. Limited), A.C.N. 153 511 445 Pty Limited (Formerly known as: DPS Newco Pty Ltd), A.C.N. 111 135 543 Pty Limited (Formerly known as: SubZero Automotive Pty Ltd), A.C.N. 133 463 439 Pty Limited (Formerly known as: SubZero Mining Services Pty Ltd (Trustee for the SubZero Mining Services Unit Trust)), and A.C.N. 097 757 036 Pty Limited (Formerly known as: Subzero Line Boring Services Pty Ltd) (Trustee for the McTaggart Farrell Unit Trust)).

Lead Manager Options means the Options the subject of Resolution 3, to be issued on the terms and conditions in Schedule 2.

Listing Rules means the listing rules of ASX.

Macquarie means Macquarie Bank Limited (ACN 008 583 542).

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of general meeting.

Official List means the official list of ASX.

Option means an option which entitles the holder to subscribe for one Share.

Optionholder means the holder of an Option.

Original DOCA means the deed of company arrangement dated 5 December 2016 between the Company and Mr Philip Campbell-Wilson and Adam Nikitins of Ernst & Young in their capacity as administrators of the Original DOCA.

Otsana means Otsana Pty Ltd ACN 145 168 216.

Placement Shares means the Shares the subject of Resolution 2.

Proposed Constitution has the meaning given in Section 9.

Proxy Form means the proxy form attached to the Notice.

Recapitalisation Payment has the meaning provided in Section 3.2.

Recapitalisation Proposal means the proposal by Otsana for the recapitalisation of the Company as described in Section 3.2.

Recapitalisation Resolutions means Resolutions 1 to 6.

Receivers means Mr Ryan Eagle and Mr Morgan Kelly of Ferrier Hodgson in their capacity as receivers and managers over the business and assets of the Group.

Resolutions means the resolutions referred to in the Notice or any one of them, as the context requires.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities mean all Equity Securities of the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Trustees means Mr Philip Campbell-Wilson and Adam Nikitins of Ernst & Young in their capacity as trustees of the Creditors' Trust.

Voluntary Administrators means Mr Philip Campbell-Wilson and Adam Nikitins of Ernst & Young in their capacity as voluntary administrators of the Group.

Schedule 2 - Terms and Conditions of Lead Manager Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

1. Entitlement

Each Lead Manager Option (**Option**) gives the Optionholder the right to subscribe for one Share upon exercise of the Option.

2. Exercise Price and Expiry Date

Each Option has an exercise price of \$0.04 (**Exercise Price**) and will expire at 5.00pm (AEST) on the date that is not more than 4 years after their issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. Notice of Exercise

An Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- (a) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- (b) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (c) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

4. Timing of issue of Shares

Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

5. Shares issues on exercise

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

6. Quotation of Shares on exercise

The Company will apply for official quotation on ASX of all Shares issued upon exercise of Options or before the date of issue of those Shares.

7. Quotation of Options

The Options will be unquoted upon grant. No application for quotation of the Options will be made.

8. Options transferrable

The Options will be transferable subject to compliance with the Corporations Act.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

10. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

11. Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

12. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

Annexure A - Nomination of Auditor

5 May 2017

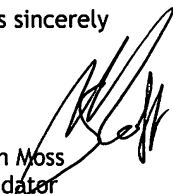
Deed Administrator

A.C.N. 009 161 522 Limited (Formerly known as: Subzero Group Limited) (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed)
200 George Street
SYDNEY NSW 2000

Dear Deed Administrator

The undersigned being the Liquidator of SubZero Services Pty. Limited (In Liquidation) (ACN 086 937 984), a member of A.C.N. 009 161 522 Limited (Formerly known as: Subzero Group Limited) (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) ("the Company") hereby nominates RSM Australia Partners for appointment as auditor of the Company.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gavin Moss', is written over the printed name and title.

Gavin Moss
Liquidator
SubZero Services Pty. Limited (In Liquidation)

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