

IAB Holdings Limited - Notice of General Meeting

30 July 2019

Dear Shareholder

On 6th June 2018, IAB Holdings Limited (formerly Inabox Group Limited) (ASX: IAB) (**IAB**, or **the Company**) announced to the market that several informal approaches had been made to acquire all or part of the Company. After detailed consideration, the IAB Board came to the collective view that a sale of the whole or composite parts of the Company would have the greatest potential to unlock significant value for IAB shareholders. Prior to this announcement, the 3 month volume weighted average price was 47 cents per Share.

The Company undertook formal sales processes resulting in the sale of the direct business to 5G Networks Limited and the indirect and enablement businesses to MNF Group Limited (**MNF Group**). On 7th January 2019, IAB Shareholders received a fully franked dividend of 29 cents, and on 19th February 2019 the first capital return of 50 cents.

On 29th March 2019, IAB announced to the market that several disputes had arisen with MNF Group and this had the effect of delaying the second and final capital return, whilst the disputes were being resolved. On 5th July 2019, IAB announced that all disputes announced to the ASX on 29th March 2019 had been resolved. Furthermore, after having settled or provided for the known liabilities of the Company, the Board had, after taking external advice, determined that, subject to Shareholder approval, the appointment of a liquidator to conduct a voluntary winding up was the most efficient and lowest risk process to make a final distribution to shareholders and wind up the Company. Based on current information, including the Board's estimate of the Company's known outstanding liabilities, the Board expects the final distribution to Shareholders to be in the range of 6 cents to 7.5 cents per share, with payment of the full amount expected in late 2019.

Accordingly, Shareholders are being asked to approve the voluntary winding up of the Company and the appointment of Jennifer Nettleton of KordaMentha as liquidator on an agreed capped fee basis. The Company is also required by the ASX to again seek Shareholder approval to remove the Company from the official list of the ASX.

You are, therefore, invited to a General Meeting of the Company to be held at 11.30am (AEST) on Friday, 30th August 2019 at KordaMentha, Level 5 Chifley Tower, 2 Chifley Square, Sydney NSW 2000. The purpose of the General Meeting is for Shareholders to consider and, if thought fit, approve:

1. the removal of the Company from the official list of the Australian Securities Exchange; and
2. the voluntary winding-up of the Company and appointment of Jennifer Nettleton of KordaMentha as Liquidator of the Company and related matters.

Enclosed is a notice of General Meeting together with an Explanatory Memorandum, KordaMentha's Remuneration Approval Request Report and a Proxy Form for Shareholders. You can return the Proxy Form in accordance with the instructions on the form if you are not able to attend the Meeting.

The Directors unanimously recommend that Shareholders vote in favour of all Resolutions in this Notice of Meeting.

We look forward to welcoming you to the Meeting.

Yours faithfully



David Rampa, Chairman, IAB Holdings Limited

Notice of General Meeting

Notice is hereby given that the General Meeting of the Shareholders of IAB Holdings Limited ACN 161 873 187 will be held at 11.30am (AEST) on Friday, 30th August 2019 at KordaMentha, Level 5 Chifley Tower, 2 Chifley Square, Sydney NSW 2000. The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

BUSINESS OF THE MEETING

Resolution 1: Delisting

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

“That, subject to ASX granting the necessary approval under Listing Rule 17.11, for the purposes of ASX Listing Rule 17.11 and for all other purposes:

- *Shareholders approve the Company’s removal from the official list of ASX; and*
- *the Directors and Liquidator are authorised to do all things reasonably necessary to give effect to the delisting of the Company from ASX.”*

Resolution 2: Voluntary Winding Up

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

“That, for the purpose of section 491(1) of the Corporations Act and for all other purposes, the Company be wound up voluntarily and that the Liquidator be hereby authorised to make distributions among the members in cash or in specie of the Company’s assets, in whole or in part, in accordance with the Company’s Constitution.”

Resolution 3: Appointment of Liquidator

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That, conditional on Resolution 2 being passed, for the purpose of section 495(1) of the Corporations Act and for all other purposes, Jennifer Nettleton, of KordaMentha, Level 5 Chifley Tower, 2 Chifley Square, Sydney NSW 2000, be appointed Liquidator for the purposes of conducting and winding up the Company.”

Resolution 4: Remuneration of Liquidator

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That, conditional on Resolutions 2 and 3 being passed, the estimated remuneration of the Liquidator for the period from the commencement of the liquidation to the completion of the liquidation is determined at a sum equal to the cost of time spent by the Liquidator and KordaMentha staff, calculated at the hourly rates as detailed in the Remuneration Approval Request report, up to a maximum of \$26,000, excluding GST, and approved for payment on a monthly basis in arrears or as required. However, if the value of the work performed exceeds the capped amount, then the Liquidator reserves the right to seek further approval of fees from members.”

Resolution 5: Disbursements of Liquidator

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That, conditional on Resolutions 2 and 3 being passed, the estimated internal disbursements of the Liquidator, including those paid to staff, for the period from the commencement of the liquidation to the completion of the liquidation up to a maximum amount of \$400, excluding GST, calculated at the rates as detailed in the Remuneration Approval Request report, are approved for payment to be made on a monthly basis in arrears or as required. However, if the amount of internal disbursements incurred exceeds the capped amount, then the Liquidator reserves the right to seek further approval of internal disbursements from members.”

Resolution 6: Books and Records of the Company

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That, conditional on Resolutions 2 and 3 being passed and subject to obtaining approval from the Australian Securities and Investments Commission pursuant to Section 70-35(3) of Schedule 2 of the Corporations Act, the books and records of the Company and of the Liquidator can be disposed of by the Liquidator six months after the date of deregistration of the Company.”

By order of the Board



Lisa Dadswell
Company Secretary
30 July 2019

Explanatory Memorandum

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

Proposed Resolutions:

1. Resolution 1 – Delisting

1.1 Background and ASX approval

On 15th January 2019, the Company sought and received Shareholder approval for the removal of the Company from the official list of ASX under ASX Listing Rule 17.11 (**Delisting**). On 11th March 2019, the Company announced that the ASX had approved the Delisting subject to the following conditions imposed by ASX:

- (a) that the request for removal of the Company from the Official List be approved by an ordinary resolution of the Shareholders;
- (b) that the removal must not take place any earlier than one month after the date on which the resolution to approve the Delisting is passed;
- (c) that the Company releases the full terms of the ASX's decision in relation to the Company's delisting application to the market immediately; and
- (d) that the Company completes the payment to Shareholders of each of the two tranches of Capital Returns.

The first tranche of the Capital Return, of \$0.50 per Share, was paid on 19th February 2019. On 29th March 2019 the Company announced that it had been notified of disputes with, and claims by, MNF Group Limited (**MNF Group**), the acquirer of its indirect telecommunications resale and enablement business (**MNF Transaction**) and the Company was placed in suspension. These disputes were in relation to purchase price adjustments for the MNF Transaction and prevented the Company from completing the second tranche of the Capital Return.

On 5th July 2019, the Company announced that all disputes with MNF Group had been resolved and that the outcome of the settlement was that the purchase price amount of \$0.5m, held in escrow pending confirmation of the working capital balance, had been released to MNF Group. The Company further announced that the Board had determined that the appointment of a liquidator to conduct a voluntary winding up was the most efficient and lowest risk process to make a final distribution to Shareholders and wind up the Company. As such, it is expected that the second and final distribution, of between 6c and 7.5c per Share, will be made in late 2019, and not prior to Delisting as originally envisaged.

ASX has confirmed that it requires the Company to again seek shareholder approval for the Delisting and that the Delisting be approved by a special resolution of Shareholders. While ASX has not granted its approval for the Company to proceed with the Delisting as at the date of this Notice of Meeting, the Directors expect that ASX will grant such approval. The Directors expect that ASX's approval for the Company to proceed with the Delisting will be subject to the following conditions:

- (a) that the request for removal of the Company from the Official List be approved by a special resolution of the Shareholders;
- (b) that the removal must not take place any earlier than seven days after the date on which the resolution to approve the Delisting is passed; and

- (c) that the Company releases the full terms of the ASX's decision in relation to the Company's delisting application to the market immediately.

Accordingly, Resolution 1 seeks Shareholder approval for the Delisting.

If approved by Shareholders, the Delisting will occur on 6th September 2019 or on a date to be decided by ASX in consultation with the Company (**Delisting Date**). The winding up of the Company will commence as soon as it is approved by Shareholders. At the conclusion of the liquidation the Company will be deregistered and at this time Shareholders will cease to hold shares.

Shareholders should note that ASX is not required to act on the Company's request that the Company be removed from the Official List and that ASX may require conditions (including conditions other than the conditions set out above) to be satisfied before it will act on the request.

If ASX imposes any other material conditions on the Delisting, the Company may need to withdraw Resolution 1 from the Meeting, and ask Shareholders to consider and, if thought fit, pass a resolution approving the Delisting at a later general meeting of the Company.

1.2 **Rationale for Delisting**

The Directors have determined that the Delisting is in the best interests of Shareholders for the following reasons:

- (a) the Company does not have any business or operations of substance following completion of the MNF Transaction;
- (b) the cost of the continued listing of the Company on the ASX exceeds \$30,000 per annum. By removing the need to pay these costs in the future by implementing the Delisting, the Company can maximise the return to shareholders by way of the final distribution; and
- (c) the Company's Shares are currently suspended from trading on ASX and will remain in suspension until the Company Delists.

1.3 **Disadvantages of Delisting**

The Directors have considered the potential disadvantages to the Company of Delisting, being:

- (a) as the Shares will no longer be tradeable on ASX, there is unlikely to be any liquid market for trading the Shares. Shareholders will need to complete off-market transfers to affect a transfer of Shares. This is likely to be difficult, if not impossible; and
- (b) if the Company is delisted, the ASX Listing Rules will no longer apply to the Company and the Shareholder protections inherent in the ASX Listing Rules will no longer apply, including restrictions on the issue of Shares by the Company, restrictions in relation to transactions with persons in a position of influence and ASX Corporate Governance Principles and Recommendations. However, the provisions of the Corporations Act applicable to unlisted public companies will continue to apply, including continuous disclosure.

1.4 **Effect of Delisting**

If Shareholders approve Resolution 1, it is expected that the Company will be removed from the Official List by 6th September 2019.

Set out below is an indicative timetable for the Delisting. This timetable is indicative only and may change. Shareholders will be notified of any changes to the timetable via an ASX announcement. Prior to the date of removal of the Company from the Official List, the Shares will remain in suspension.

The indicative timetable is:

Event	Date
Dispatch of Notice of General Meeting	30 July 2019
General Meeting of Shareholders	30 August 2019
Company enters into members' voluntary winding-up	30 August 2019
Delisting date	6 September 2019

1.5 Effect on Shareholders

If the Company successfully delists from the ASX, Shareholders will hold certificated Shares. Shareholders will be issued with a share certificate representing their holding, which will be required to support any future transfer or sale request. Shareholders will not be able to trade their Shares via CHESS and all transfers will need to be effected via the execution of off market transfer forms being provided, together with any necessary supporting documentation, to the Company's share registry. The Company does not intend to make available any processes to Shareholders to effect the transfer of Shares after Delisting.

1.6 What happens if Resolution 1 is not passed?

If Resolution 1 is not passed, then, unless a subsequent proposed Delisting resolution is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company will remain on the Official List and the Shares will remain quoted on ASX, but will remain in suspension.

1.7 Directors' interests and recommendations

The Directors do not have a material interest in the outcome of Resolution 1 other than as a result of their interest arising solely in their capacity as Shareholders.

As at the date of this Notice of Meeting, the Directors have a relevant interest (held directly and indirectly) in the securities of the Company as set out in the following table:

Director	Shares	Options	Rights
David Rampa	83,340	N/A	N/A
Damian Kay	2,764,341	N/A	N/A
Garry Wayling	77,770	N/A	N/A

Each of the Directors intends to vote all of their Shares in favour of Resolution 1.

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.

The Chair intends to vote undirected proxies in favour of Resolution 1.

2. Resolution 2 – Voluntary Winding Up

2.1 *Rationale for the winding up*

During 2018, the Company's Board, senior management and advisors carried out a strategic review of the former Inabox business, then comprising the direct business, trading under the Anittel and Hostworks brands (**Direct business**), and the indirect telecommunications resale and enablement business (**Indirect business**). This resulted in the sale of the Company's Direct business in August 2018 to 5G Networks Limited. The Directors eventually formed the view that the disposal of the Indirect business, the Company's main undertaking, would unlock significantly more value for Shareholders than was then

reflected in the Company's share price and might otherwise be expected over the medium-term by continuing to operate the Company.

After discussions with a number of potential buyers of the Indirect business, the Director's determined that MNF Group's offer was superior and, after receiving shareholder approval on 7th December 2018, the Company announced on 12th December 2018 that the sale of the Indirect business to MNF Group had completed.

After completion of the sale of the two businesses, the Company does not have any business or operations and accordingly Resolution 2 seeks shareholder approval for the voluntary winding up of the Company.

2.2 ***Voluntary winding up***

Resolution 2 approves:

- a) the winding up of Company
- b) the authorisation of the Liquidator to make distributions among the Members in cash or in specie of the Company's assets, in whole or in part, in accordance with the Company's constitution.

At a recent Board meeting, the Directors resolved that, at this General Meeting, Shareholders consider a resolution to place the Company into voluntary liquidation. Rule 16(b)(i)(A) of the Company's constitution provides that if the Company is wound up, the liquidator, with the sanction of a special resolution of the Shareholders may divide among the Shareholders, in specie or in kind, any part of the assets of the Company so available and may for that purpose set such value as the liquidator considers fair on any assets to be so divided.

The Company's two wholly-owned subsidiaries, Australian Phone and Internet Pty Ltd and Inabox Investments Pty Ltd, will also be placed into voluntary liquidation. The appointment of a liquidator to these two companies will be affected by the Company as shareholder.

The Directors expect the Company will remain solvent and continue to pay its debts as and when they fall due. The Liquidator has lodged a directors' statement of solvency with ASIC prior to the issue of this Notice.

2.3 ***Shareholder distributions***

On 15th January 2019, the Company received Shareholder approval for Capital Returns, in aggregate, not exceeding \$15,100,000 that may be effected in multiple tranches. The first tranche of the Capital Return, of \$0.50 per Share, was paid on 19th February 2019 (equating to \$11.9m based on the number of Shares on issue at the time).

Following the appointment of the Liquidator, it is expected that a final distribution of between 6c and 7.5c per Share will be made in late 2019. This is based on current information available to the Board, including the Board's estimate of the Company's known outstanding liabilities and estimated expenses to wind up the Company. There is no guarantee that the Company will pay any further distributions to Shareholders.

If this resolution is passed, a transfer of shares or an alteration of status of Shareholders of the Company will not be effective unless (a) the Liquidator gives written consent and that consent is unconditional, or (b) if the Liquidator's consent is subject to conditions, those conditions have been satisfied, or (c) the transfer or alteration of status is authorised by the Court.

Section 491(1) of the Corporations Act provides that a company may be wound up voluntarily if the company so resolves by special resolution. Resolution 2 is a special resolution and therefore requires the

approval of 75% of the votes cast by Shareholders present and eligible to vote (in person or by proxy). Each of the Directors intends to vote all of their Shares in favour of Resolution 2.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chair intends to vote undirected proxies in favour of Resolution 2.

3. Resolution 3: Appointment of Liquidator

Resolution 3 is conditional upon Resolution 2 being passed by Shareholders. If Resolution 2 is not passed by Shareholders, Shareholders cannot pass Resolution 3.

Resolution 3 authorises the Company to appoint Jennifer Nettleton to act as Liquidator of the Company. Section 495(1) of the Corporations Act provides that a company in general meeting must appoint a liquidator for the purpose of winding up the affairs and distributing the property of the company. At a recent meeting of Directors, the Directors resolved that at this General Meeting, Shareholders consider a resolution to place the Company into voluntary liquidation and appoint Jennifer Nettleton to act as Liquidator after receiving her Consent to Act as Liquidator for the Company.

Resolution 3 must be passed as an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

The Chair intends to vote undirected proxies in favour of Resolution 3.

4. Resolution 4: Remuneration of Liquidator

Resolution 4 is conditional upon Resolutions 2 and 3 being passed by Shareholders. If Resolutions 2 and 3 are not passed by Shareholders, Shareholders cannot pass Resolution 4.

Resolution 4 authorises that the estimated remuneration of the Liquidator and KordaMentha's staff for the period from the commencement of the liquidation to the completion of the liquidation is determined at a sum equal to the cost of time spent by the Liquidator and KordaMentha staff, calculated at the hourly rates as detailed in KordaMentha's Remuneration Approval Request Report, which is attached to this Notice of Meeting as Appendix A. This remuneration is capped at a maximum of \$26,000 plus GST, but the Liquidator reserves the right to seek further approval of fees from Shareholders if the value of the work performed exceeds the capped amount.

In relation to the proposed voluntary winding up of the Company's wholly-owned subsidiaries, Australian Phone and Internet Pty Ltd and Inabox Investments Pty Ltd, the estimated remuneration of the Liquidator and KordaMentha's staff for the period from the commencement of the liquidation to the completion of the liquidation will be \$2,250 per company. The remuneration of these two companies will be approved by the Company as shareholder.

Any surplus funds that remain in the Company will be distributed to Shareholders after paying costs associated with the voluntary winding up and absolving all outstanding liabilities of the Company.

Resolution 4 must be passed as an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chair intends to vote undirected proxies in favour of Resolution 4.

5. Resolution 5: Disbursements of Liquidator

Resolution 5 is conditional upon Resolutions 2 and 3 being passed by Shareholders. If Resolutions 2 and 3 are not passed by Shareholders, Shareholders cannot pass Resolution 5.

Resolution 5 authorises that the estimated internal disbursements of the Liquidator and KordaMentha's staff for the period from the commencement of the liquidation to the completion of the liquidation are capped at a maximum of \$400 plus GST, calculated at the rates as detailed in KordaMentha's Remuneration Approval Request report, which is attached to this Notice of Meeting as Appendix A. The Liquidator reserves the right to seek further approval of internal disbursements from Shareholders if the amount of internal disbursements incurred exceeds the capped amount.

Resolution 5 must be passed as an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

The Chair intends to vote undirected proxies in favour of Resolution 5.

6. Resolution 6: Books and Records of the Company

Resolution 6 is conditional upon Resolutions 2 and 3 being passed by Shareholders. If Resolutions 2 and 3 are not passed by Shareholders, Shareholders cannot pass Resolution 6.

Resolution 6 authorises, subject to obtaining approval from ASIC pursuant to Section 70-35(3) of Schedule 2 of the Corporations Act, that the books and records of the Company and of the Liquidator be disposed of by the Liquidator six months after deregistration of the Company.

Section 70-35(3) of Schedule 2 of the Corporations Act provides that, with ASIC's approval, the books and records of the Company may be destroyed within a period approved by the Members.

Resolution 6 must be passed as an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

The Chair intends to vote undirected proxies in favour of Resolution 6.

Glossary

\$ means Australian dollars.

AEST means Australian Eastern Standard Time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the relevant Listing Rules of ASX.

Board means the current board of Directors of the Company.

Capital Returns means the capital returns approved by Shareholders at a General Meeting of the Company held on 15th January 2019.

Chair means the chair of the Meeting.

Company means IAB Holdings Limited ACN 161 873 187 (formerly Inabox Group Limited).

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

Delisting has the meaning given in Section 1.1 of this Explanatory Memorandum.

Delisting Date has the meaning given in Section 1.1 of this Explanatory Memorandum.

Direct business has the meaning given in Section 2 of this Explanatory Memorandum.

Directors means the current directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

General Meeting or Meeting means the meeting convened by this Notice.

Indirect business has the meaning given in Section 2 of this Explanatory Memorandum.

MNF Group has the meaning given in Section 1.1 of this Explanatory Memorandum.

MNF Transaction has the meaning given in Section 1.1 of this Explanatory Memorandum.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Memorandum and Proxy Form.

Official List means the official list of ASX.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution set out in the Notice.

Section means a section of the Explanatory Memorandum.

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

Shareholder or Member means a holder of a Share.

Voting and Proxies

Voting Entitlements

The Directors have determined that the shareholding of each Shareholder for the purpose of ascertaining the voting entitlements for the General Meeting will be as it appears on the Company's share register at 7.00pm (AEST) on Wednesday, 28th August 2019. Accordingly, transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the General Meeting.

Proxies

A Shareholder has the right to appoint a proxy, who need not be a Shareholder of the Company. A member may appoint not more than two proxies to attend and act for the member. A member may specify the percentage of votes each proxy is appointed to exercise.

The Proxy Form must be received by the share registry of the Company, Boardroom Pty Limited, no later than 11.30am (AEST) on Wednesday, 28th August 2019. Instructions for lodging the Proxy Form are printed on the Proxy Form itself.



IAB Holdings Limited

ACN 161 873 187

Appendix A - Remuneration approval request report

30 July 2019

Table of contents

1	Purpose of this Report	1
2	Remuneration and internal disbursements.....	1
3	Remuneration.....	2
	3.1 Declaration	2
	3.2 Remuneration summary	2
4	Disbursements	2
	4.1 Declaration	2
	4.2 Disbursements summary	2
5	Likely impact on creditors.....	3
6	Contact details and further information.....	3

List of Appendices

Appendix 1 – KordaMentha rates

Appendix 2 – Resolution 4

Appendix 3 – Resolution 5

1 Purpose of this Report

KordaMentha was engaged by IAB Holdings Limited ('the Company') to assist in the winding up of the Company and Jennifer Nettleton has provided a consent to act as Liquidator. The members will be asked to consider a resolution to place the Company into liquidation. They will also be asked to approve the remuneration and internal disbursements of the Liquidator for the proposed liquidation. This report provides information which will enable the members to consider those resolutions.

2 Remuneration and internal disbursements

In accordance with Section 60-10 of Schedule 2 of the Corporations Act 2001 ('the Act') and the Australian Restructuring Insolvency and Turnaround Association's Code of Professional Practice, I provide the following information in respect of the Liquidator's remuneration and internal disbursements for the proposed liquidation of the Company.

In this liquidation, I am seeking approval of my remuneration on a time basis and internal disbursements in accordance with the schedule titled KordaMentha rates.

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

- Time based on 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 administration and is the total cost for the administration. At times, an insolvency practitioner will finalise an 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 asset realisations.
- Contingency – the fee is structured to be contingent on a particular outcome being achieved.

KordaMentha calculates remuneration on the basis of an 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 as it fairly reflects the necessary work performed and overcomes the difficulty in identifying the scope of the work required, particularly on longer term engagements. A copy of the schedule titled KordaMentha rates is enclosed as Appendix 1. The rates schedule shows the qualifications and experience of each classification and the role that classification generally takes in an administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

The following information is provided to assist members to consider the appropriateness of the remuneration claim and internal disbursement claim that is being made. Approval of this remuneration and internal disbursements will be sought at the meeting of members to be held on 30 August 2019.

The meeting of members will seek approval for six separate resolutions. This report includes information about resolution four and five, being the remuneration resolutions. Members should refer to the Notice of Meeting dated 30 July 2019 for information about other resolutions.

Remuneration currently claimed is summarised below:

Current remuneration claim	Amount (\$ ex GST)	Appendix reference
Resolution 4: Estimated fees for the period of the liquidation	26,000	2
Total remuneration claimed and approved	26,000	

Internal disbursements currently claimed are summarised below:

Current internal disbursements claim	Amount (\$ ex GST)	Appendix reference
Resolution 5: Estimated internal disbursements for the period of the liquidation	400	3
Total internal disbursements claimed and approved	400	

3 Remuneration

3.1 Declaration

I, Jennifer Nettleton of KordaMentha, declare that I have undertaken a proper assessment of this remuneration claim for my proposed appointment as Liquidator of IAB Holdings Limited in accordance with the law and applicable professional standards. I am satisfied that the estimated remuneration is in respect of necessary work, to be properly performed, in the conduct of the administration.

3.2 Remuneration summary

3.2.1 Remuneration claim resolution

Resolution 4

'That, conditional on Resolutions 2 and 3 being passed, the estimated remuneration of the Liquidator for the period from the commencement of the liquidation to the completion of the liquidation is determined at a sum equal to the cost of time spent by the Liquidator and KordaMentha staff, calculated at the hourly rates as detailed in the Remuneration Approval Request report, up to a maximum of \$26,000, excluding GST, and approved for payment on a monthly basis in arrears or as required. However, if the value of the work performed exceeds the capped amount, then the Liquidator reserves the right to seek further approval of fees from members'

Please refer to the appendices for full details of the remuneration approval sought.

As disclosed in the remuneration resolution and in my initial engagement letter to the directors of the Company, if the scope of the work exceeds that which was outlined in my initial engagement letter, we may seek approval of further remuneration from members at either a meeting of members or by way of proposals without a meeting. If that is the case, I will provide a further remuneration approval request report on the time spent or to be spent and tasks undertaken or to be undertaken.

3.2.2 Remuneration reconciliation

I provided the directors of the Company an estimate of my remuneration of \$26,000, subject to the following variables which may have an effect on this estimate and that I was unable to determine at that time:

- That the liquidation will be completed within a period of 12 months from the date of the winding up
- There are no external creditors
- That the scope of the work is limited to that listed in my initial engagement letter to the directors of the Company.

This remuneration claim comes within the estimate I provided to the directors of the Company.

3.2.3 Remuneration recoverable from external sources

I advise that I have not received any indemnity, guarantee or contribution from any member, director or any other party related to the Company for my fees.

4 Disbursements

4.1 Declaration

I, Jennifer Nettleton of KordaMentha, have undertaken a proper assessment of the estimated disbursements to be claimed for my appointment as Liquidator of IAB Holdings Limited in accordance with the law and applicable professional standards. I am satisfied that the disbursements to be claimed are necessary and proper.

4.2 Disbursements summary

Disbursements are divided into three categories:

- 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 disbursements – these are recovered at cost. Examples of externally provided professional service disbursements are travel, accommodation, search fees and lodgement fees.
- Internal disbursements – these are recovered on a reasonable commercial basis. These disbursements are generally charged at cost, though some may be charged at a rate which recoups both variable and fixed costs. Examples of internal disbursements include printing and postage costs, travel allowance and data room hosting.

Details of the KordaMentha disbursement policy are included with the enclosed KordaMentha rates. Any future internal disbursements will be calculated at the rates as set out in this schedule. I will be seeking member approval to pay any internal disbursements incurred.

4.2.1 Internal disbursements claim resolution

Resolution 5

‘That, conditional on Resolutions 2 and 3 being passed, the estimated internal disbursements of the Liquidator, including those paid to staff, for the period from the commencement of the liquidation to the completion of the liquidation up to a maximum amount of \$400, excluding GST, calculated at the rates as detailed in the Remuneration Approval Request report, are approved for payment to be made on a monthly basis in arrears or as required. However, if the amount of internal disbursements incurred exceeds the capped amount, then the Liquidator reserves the right to seek further approval of internal disbursements from members.’

Approval for the future internal disbursements sought is based on my best estimate of the internal disbursements necessary to be incurred. Should additional internal disbursements be necessary beyond what is contemplated, further approval may be sought from the members.

Please refer to the appendices for full details of the calculation and composition of the internal disbursements approval sought.

4.2.2 External disbursements

I am not required to seek approval for externally provided disbursements, but must account to the members for disbursements that have been paid or incurred. External disbursements will be incurred during the liquidation for corporate secretarial and share registry services provided by BoardRoom Limited.

5 Likely impact on creditors

The directors have formed the opinion that the Company will be able to pay its debts in full within 12 months of the commencement of the winding up. Accordingly, the Liquidator’s remuneration will not impact on the return to creditors in the proposed liquidation.


6 Contact details and further information

You can access information which may assist you on the following websites:

- ARTIA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for ‘insolvency information sheets’)

If you have any queries or need any assistance with understanding the materials I have sent you, please contact Anna Zhou on (02) 8257 3089 or by email at azhou@kordamentha.com.

Dated: 30 July 2019



Jennifer Nettleton
Executive Director

KordaMentha
Level 5 Chifley Tower
2 Chifley Square
Sydney NSW 2000



Appendix 1 - KordaMentha rates

National

Applicable from 1 July 2019

FY 2020

Classification	\$ per hour*
Principal Appointee/Partner/Executive Director	725
Director	675
Associate Director 1	625
Associate Director 2	575
Manager	525
Senior Executive Analyst	475
Executive Analyst	425
Senior Business Analyst	375
Business Analyst	325
Administration	150

**Exclusive of GST*

KordaMentha disbursement policy

Disbursements incurred from third party suppliers are charged at the cost invoiced. KordaMentha does not add any margin to disbursements incurred through third parties.

There are no charges for internal KordaMentha disbursements, such as internal photocopy use, telephone calls or facsimiles, except for bulk printing and postage that is performed internally, which are calculated on a variable cost recovery basis.

In relation to any employee allowances, being kilometre allowance and reasonable travel allowance, the rate of the allowance set by KordaMentha is at or below the rate set by the Australian Taxation Office.

If a KordaMentha data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room.

Certain services provided by Forensic Technology may require the processing of electronically stored information into specialist review platforms. Where these specific Forensic Technology resources are utilised, the fee will be based on units (e.g. number of laptops), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting).

GST is applied to disbursements as required by law.

KordaMentha disbursement internal rates and allowances

Description	Charge*
Photocopying, printing (general)	\$0.06 per page
Envelopes and postage (varies due to size and weight)	\$1.59 to \$6.02 per envelope
ASIC charges for appointments and notifiable events	These amounts will be charged at cost, if known at the time it is charged, or at an estimated amount, if known at the time it is charged, or at the last issued estimated amount or actual cost, as advised by ASIC. The current actual cost and estimated cost amounts are as detailed below: \$77 per appointee or notifiable event for FY18 at cost – advised by ASIC Jan 19 \$83 per appointee or notifiable event for FY19 or FY20 at estimated amount – advised by ASIC Jun 19
Travel Reimbursement	\$0.60 per kilometre
Meal per diem, etc.	Up to \$92.70 per day per staff member (unless other arrangements made)
RelativityOne fee	User licence fees (including analytics) \$150 per user per month
	Data hosting (RelativityOne) \$22.50 per GB per month
Dataroom fee (varies based on MB size)	See detail below
Dataroom fee – Size (MB)	Charge per month*
0–300	\$1,000
300–1000	\$1,000 + \$2.50/MB
1000–5000	\$2,750 + \$1.25/MB
5000+	\$7,750 + \$0.60/MB

**Exclusive of GST, reviewed annually on 1 July. Dataroom rates applicable at the time of establishment are fixed for the duration of the dataroom. If lower rates are negotiated, then they will apply to datarooms established from that point in time.*

KordaMentha classifications

Classification	Guide to level of experience
Principal Appointee/Partner/ Executive Director	Registered/Official Liquidator/Trustee, his or her Partners. Specialist skills brought to the administration. Generally in excess of 10 years' experience.
Director	More than eight years' experience and more than three years as a Manager. Answerable to the appointee, but otherwise responsible for all aspects of an administration. Controls staffing and their training.
Associate Director 1	Six to eight years' experience with well developed technical and commercial skills. Will have conduct of minor administrations and experience in control of a small to medium team of staff. Assists with the planning and control of medium to large administrations.
Associate Director 2	Five to seven years' experience with well developed technical and commercial skills. Will have conduct of minor administrations and experience in control of a small to medium team of staff. Assists with the planning and control of medium to large administrations.
Manager	Four to six years' experience. Will have had conduct of minor administrations and experience in control of one to three staff. Assists with the planning control of medium to large administrations.
Senior Executive Analyst	Three to four years' experience. Assists planning and control of small to medium administrations as well as performing some of the more difficult tasks on larger administrations.
Executive Analyst	Two to three years' experience. Required to control the tasks on small administrations and is responsible for assisting tasks on medium to large administrations.
Senior Business Analyst	Graduate with one to two years' experience. Required to assist in day-to-day tasks under supervision of more senior staff.
Business Analyst	Undergraduate or graduate with up to one year experience. Required to assist in day-to-day tasks under supervision of more senior staff.
Administration	Appropriate skills, including books and records management and accounts processing particular to the administration.

Appendix 2 – Resolution 4

Resolution

The members will be asked to consider the following resolution for the period from the commencement of the liquidation to the finalisation of the liquidation:

‘That, conditional on Resolutions 2 and 3 being passed, the estimated remuneration of the Liquidator for the period from the commencement of the liquidation to the completion of the liquidation is determined at a sum equal to the cost of time spent by the Liquidator and KordaMentha staff, calculated at the hourly rates as detailed in the Remuneration Approval Request report, up to a maximum of \$26,000, excluding GST, and approved for payment on a monthly basis in arrears or as required. However, if the value of the work performed exceeds the capped amount, then the Liquidator reserves the right to seek further approval of fees from members’

Calculation of estimated fees

The basis of calculating the remuneration claim is summarised in the table below. This table sets out the expected remuneration for each major task area likely to be performed by the Liquidator and KordaMentha staff in the liquidation for the period from the commencement of the liquidation to the finalisation of the liquidation, which is the basis of Resolution 4. More detailed descriptions of the major tasks likely to be performed, matching the amounts in this table, are included in this appendix.

	Task areas (\$ excluding GST)			
	Total	Creditors and Members	Statutory compliance	Administration and risk mitigation
Estimated total	26,000	16,000	6,000	4,000

Summary of future tasks to be undertaken

Detailed below is a summary of work expected to be undertaken by task area for the liquidation period from the commencement of the liquidation to the finalisation of the liquidation.

Task area	General description	Details of tasks
Creditors and members 31.1 hours \$16,000	Creditor enquiries	<ul style="list-style-type: none"> Advertise for creditor claims Correspondence with creditors if identified
	Dividend distribution	<ul style="list-style-type: none"> Correspondence re intention to declare dividend Compliance with regulations regarding distributions Obtain clearance from ATO for distribution Preparation of dividend, including calculation and payment Correspondence re dividend declaration
	Unclaimed monies	<ul style="list-style-type: none"> Correspondence with ASIC regarding unclaimed monies from pre-Liquidation dividend distributions Correspondence with ASIC regarding unclaimed monies arising from the final dividend distribution made by the Liquidator
Statutory compliance 11.4 hours \$6,000	Tax return	<ul style="list-style-type: none"> Correspondence with Company tax advisors Review and submit final tax return
	ASIC	<ul style="list-style-type: none"> Notifications to ASIC Correspondence with ASIC
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notification of appointment
	ASIC reporting	<ul style="list-style-type: none"> Preparation and lodgement of ASIC forms, including annual returns if required Correspondence with ASIC regarding statutory forms

Task area	General description	Details of tasks
Administration and risk mitigation 8.0 hours \$4,000	Planning/review	<ul style="list-style-type: none"> • Engagement planning • Discussions re status of administration, strategy and outstanding issues
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> • Review of administration – during first month, then six monthly • Filing of documents • Update of work programs • File review
	General administration	<ul style="list-style-type: none"> • Risk assessment • Set up of client • Processing in relation to client accounting • Word processing
	Remuneration	<ul style="list-style-type: none"> • Recording of time, including details • Preparation of remuneration schedules • Invoice preparation
	Finalisation	<ul style="list-style-type: none"> • Notification to statutory authorities of finalisation • Completion of checklists
	Bank account administration	<ul style="list-style-type: none"> • Opening and closing accounts • Preparation of transactions • Bank account reconciliations • Correspondence with bank re specific transactions • Banking of deposits
	Process of receipts and payments	<ul style="list-style-type: none"> • Process of receipts, payments and journal entries into accounting system

Appendix 3 – Resolution 5

Resolution

The members of the Company will be asked to consider the following resolution for the period from the commencement of the liquidation to the finalisation of the liquidation:

‘That, conditional on Resolutions 2 and 3 being passed, the estimated internal disbursements of the Liquidator, including those paid to staff, for the period from the commencement of the liquidation to the completion of the liquidation up to a maximum amount of \$400, excluding GST, calculated at the rates as detailed in the Remuneration Approval Request report, are approved for payment to be made on a monthly basis in arrears or as required. However, if the amount of internal disbursements incurred exceeds the capped amount, then the Liquidator reserves the right to seek further approval of internal disbursements from members.’

Calculation of internal disbursements

The basis of calculating the estimated internal disbursements claim is summarised in the table below. This table sets out the basis of the amount charged for each type of internal disbursement for the period from the commencement of the liquidation to the finalisation of the liquidation, which is the basis of Resolution 5.

Resolution 5: Internal disbursements estimated for the period to the finalisation of the liquidation	(excluding GST)
Internal disbursements	
Photocopying, printing (general)	\$200
Meal per diem, etc.	\$200
Total – Internal disbursements for Resolution 5	\$400

IAB Holdings Limited

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:30am (AEST) on Wednesday, 28 August 2019.**

🖥 TO VOTE ONLINE

- STEP 1:** VISIT <https://www.votingonline.com.au/iabegm2019>
- STEP 2:** Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3:** Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:30am (AEST) on Wednesday, 28 August 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/iabegm2019>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of IAB Holdings Limited (Company) and entitled to attend and vote hereby appoint:

☐

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at the offices of **KordaMentha, Level 5 Chifley Tower, 2 Chifley Square, Sydney NSW 2000 on Friday, 30 August 2019 at 11:30am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Delisting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Voluntary Winding Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Appointment of Liquidator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Remuneration of Liquidator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Disbursements of Liquidator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Books and Records of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019