

11 October 2019

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**Vivid Technology Limited
(Trading as “Greenearth Power”, “Greenearth Renewable
Energy”, “Newco2fuels”, “Newco2”
and “Vivid Technology Group”)
(Receivers and Managers Appointed)
(Administrators Appointed)
ACN 120 710 625
(the Company)**

Administrators’ Supplementary Report to Creditors

**Pursuant to Rule 75-225(3) of the Insolvency Practice Rules
(Corporations) 2016 & Section 439A of the Corporations Act**

Administrators

Richard John Cauchi
Peter Gountzos

Appointed: 17 July 2019

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Annexures

Annexure	Document Description
A	Notice of Meeting
B	Receipts and Payments Report
C	List of Unsecured Creditors
D	<u>Information Sheets:</u> Offences and Recoverable Transactions Meeting of Creditors
E	<u>Remuneration Approval Report:</u> Remuneration Approval Report Schedule of Hourly Rates
F	Proof of Debt form
G	Proxy Form

The Proxy Form at **Annexure G** must be submitted to our office on or before **Thursday, 17 October 2019**. Contact details are listed below:

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1. Executive Summary

We refer to previous correspondence and in particular to our Report to Creditors dated 14 August 2019 (the “previous Report”).

We encourage creditors to read this Report in conjunction with our Previous Report and consider the contents of this Report in its entirety. We summarise the key points as follows:

- As creditors are aware, Richard John Cauchi and I were appointed as Joint and Several Voluntary Administrators on 17 July 2019. This followed on from a resolution passed by the Company’s Board of Directors in accordance with the provisions of Section 436A(1) of the Corporations Act 2001 (“the Act”) that in their opinion the Company was insolvent or likely to become insolvent.
- Following our appointment, Messrs Ross Andrew Blakeley and Paul Anthony Allen of FTI Consulting were also appointed Joint and Several Receivers and Managers (“Receivers and Managers”) over the Company on 19 July 2019, by Evercharge Pty. Ltd. pursuant to its General Security Agreement and Convertible Loan Deed registered on the Personal Property Securities Register (“PPSR”). We refer to Section 6.4 of this report for further details in this regard.
- On 17 July 2019, we were also appointed the Joint and Several Voluntary Administrators of the following subsidiaries:
 - Ilum-A-Lite Pty. Limited (Trading as “Vivid Ilumalite”) (Administrators Appointed) (“Ilum-A-Lite”)
 - Vivid Industrial Pty Ltd (Trading as “Metrolight Australia”) (Administrators Appointed) (“Vivid Industrial”)
 - LED Distribution Network Pty Ltd (Administrators Appointed) (“LED”)
 - Gee Advanced Technologies Pty Ltd (Administrators Appointed) (“Gee”)

Collectively, the Company and its above subsidiaries will be referred to hereinafter as “the Companies” or “the Group” throughout this Report. We confirm that the Company is the ultimate holding company of a number of additional entities which are not the subject of our appointment.

We advise that individual Reports have been prepared in accordance with Section 439A of the Act for each respective Company over which we have been appointed. These Companies have separate creditors and effectively operate separate businesses.

- The First Meeting of Creditors of the Company was held on Monday, 29 July 2019 in accordance with Section 436E of the Act. At this meeting, a Committee of Inspection was not formed and no nomination for an alternative Voluntary Administrator was proposed.
- As you are aware, the Receivers and Managers, with our consent, have advertised for Expressions of Interest (“EOI”) in the Group’s business and assets.
- The Second Meeting of Creditors was held on Wednesday, 21 August 2019 at which creditors resolved to adjourn the meeting for a period of no more than forty-five (45) business days. We refer to Section 3 of this Report for further details in this regard.
- Despite significant efforts by both the Company’s Directors, the Receivers and Managers and ourselves to facilitate either a restructure or recapitalisation of the Group, a workable proposal for the Company and the Group to execute a Deed of Company Arrangement (“DOCA”) could not be achieved.
- Under the circumstances, at the Adjourned Second Meeting of Creditors, we recommend that creditors resolve to place the Company into Liquidation.

- Our unapproved remuneration and internal (non-professional) disbursements incurred to date and expected to be incurred in the future conduct of the Administration and Liquidation (as applicable) periods are detailed in Section 11 of this Report.

2. Scope of the Appointment

As you are aware, the object of Section 435A of the Act is to enable the Company to be formally restructured in a way that can either:

- maximise the chances of the Company's business continuing; or
- if continuation is not possible, provide a better return to creditors and members than if an immediate liquidation occurred.

Pursuant to section 75-225 of the *Insolvency Practice Rules (Corporations) 2016* (IPR-C), this Report, together with our previous Report will provide you with sufficient information on the Company's business, affairs and financial circumstances which will enable you to vote on whether:

- a. the Company executes a DOCA, if applicable; or
- b. the Company is placed into Liquidation; or
- c. the Administration should end.

This Report has been prepared in accordance with Rule 75-225 of the IPR-C and Section 439A of the Act for the purpose of assisting you in making that decision.

We have relied upon the available records of the Company, statements from the Company's Directors, documentation provided by creditors, information supplied by the Company's Receivers and Managers and advisors and from our own inquiries to prepare this Report and the previous Report.

We again note that the scope of our investigations into the affairs of the Company have not been exhaustive and have been limited by the time constraints imposed under the Act. Again, whilst we have no reason to doubt the information, except where stated, we reserve the right to alter any conclusions reached on the basis of any change in information that may become available.

Whilst this summary is to assist creditors in reading and understanding the purpose of this Report, it is important that creditors do not solely rely upon this summary in deciding how they will vote at the upcoming meeting. Creditors should read the entire Report, together with our previous Report to fully understand the current financial position of the Company and the information from which we have formed our opinion.

Administrators' Opinion

Pursuant to section 75-225(3) of the Act, we are required to provide our opinion on each of the above options available under section 439C of the Act.

We recommend that the Company should be placed into Liquidation at the forthcoming Adjourned Second Meeting of Creditors for the following reasons:

- We have not received a workable proposal for the Company to execute a DOCA.
- It is our view that bringing the administration to an end and returning the Company to the control of the Directors is not a viable option as the Company is insolvent and it does not deal with the Company's creditors.

- A Liquidation of the Company will allow for a more extensive investigation of its affairs to be undertaken.

2.1 Receipts and Payments of the Administration

Attached at **Annexure B** is a copy of the Administration Receipts and Payments for the period 17 July 2019 to 10 October 2019.

3. Adjourned Second Meeting of Creditors

As indicated previously, the Second Meeting of Creditors was held on Wednesday, 21 August 2019 and creditors resolved to adjourn the meeting for a period of no more than forty-five (45) business days in order to allow for the following:

- The Receivers and Managers and ourselves additional time to seek expressions of interest regarding the sale / restructure / recapitalisation of the Company / Group or the acquisition of the IOT Intelligent light solutions business; and
- Sufficient time for the Receivers and Managers, together with our office, to deal with the Group's business / assets and attempt the formation of a workable DOCA proposal (if applicable).

As at the date of this Report, a workable proposal for the Company or its subsidiaries to execute a DOCA has not been received.

The adjournment of the Second Meeting of Creditors however allowed for additional time to undertake the following:

- Numerous meetings / correspondences with Company Directors with respect to any potential recapitalisation / sale of the Company's and Group's business and assets;
- Correspondence/communications with the Receivers and Managers and Company's former advisors with respect to the Research and Development ("R&D") claim;
- Correspondence/communications with the Receivers and Managers to discuss the restructuring opportunities with interested parties and the formulation of a DOCA;
- Negotiations with interested parties with respect to the Group's assets;
- Deal with the personal contribution by the Company's Director (Charles Macek) to meet the payment of the ASX listing fee in order to preserve the Company's ability to potentially recapitalise and restructure; and
- Facilitate the preparation of the financial accounts for the financial year ended 30 June 2019.

Despite the above efforts by all, a workable proposal for the Company to execute a DOCA that would provide for a sufficient return to all creditors, together with meeting the costs of the administration, could not be facilitated. Accordingly, at the Adjourned Second Meeting of Creditors, we will be recommending that creditors resolve to place the Company into Liquidation.

The Adjourned Second Meeting of Creditors has now been convened and is to be held at the offices of **SV Partners Melbourne, Level 17, 200 Queen Street, Melbourne VIC 3000 on Friday, 18 October 2019 at 10.00am**

4. Books and Records

Failure to maintain adequate Company books and records in accordance with sections 286 and 288 of the Act is an offence under the Act. A Liquidator can rely upon this offence in pursuing an insolvent trading action pursuant to section 588G of the Act. We refer to Section 7.3 of this Report and our previous Report regarding potential recovery actions that may be available to a Liquidator, should one be appointed at the Adjourned Second Meeting of Creditors.

We confirm that based on our investigations completed to date, the Company's records appear to have been maintained in accordance with the Act.

5. Outcome of EOI Campaign

As discussed in our previous Report, the Receivers and Managers, in concert with our office, commenced a campaign for either the sale / restructure / recapitalisation of the Group or the acquisition of its IOT intelligent lighting solutions business. As part of the marketing strategy, an advertisement was placed in the Australian Financial Review on Tuesday, 6 August 2019.

At the Second Meeting of Creditors, the Receivers and Managers advised that the EOI campaign period had been extended to Friday, 23 August 2019.

The Receivers and Managers received an offer from an interested party proposing a recapitalisation of the Company with a view to effectively acquiring the listed shell. The proposal was unable to be progressed as it did not provide for a sufficient return to either secured and priority creditors and did not provide for any likely return to unsecured creditors.

We also understand that various parties have expressed an interest in some of the Group's residual assets. However as at the date of this Report, we are yet to receive any details with respect to the assets subject to this interest.

We note that should creditors resolve that the Company be placed into Liquidation at the forthcoming Adjourned Second Meeting of Creditors, we, and the Receivers and Managers will continue to deal with any interested parties.

6. Assets and Liabilities

6.1 Cash at Bank

As creditors are aware, the Company operated the following accounts on our appointment:

Financial Institution	Account Type	Balance as at our appointment (\$)
Westpac Banking Corporation Limited ("Westpac")	Term Deposit	18,041.36
	Term Deposit	18,041.36
	Term Deposit	18,041.36
	Business Cheque Account	48,088.33
	Business Cheque Account	3.23
	USD Account	173.64 USD
	Term Deposit (Rental Bond)	55,000

Following our appointment, we continued to maintain the above accounts to enable the ongoing receipt of the any pre-appointment trade debtors / receivables etc. We have since receipted \$4,480.41 during the Voluntary Administration period which relate to debtor monies due from a customer of Vivid Industrial.

Based on advice received from the Company's Directors, we understand that the Company effectively acted as a treasury for Vivid Industrial, receipting and remitting payments on its behalf.

We have recently conducted a reconciliation of the Company's bank account and have determined that funds totalling \$13,142.05 which were received just prior to our appointment receipted on behalf of Vivid Industrial. Accordingly, these funds have now been reallocated and repaid to the administration account of Vivid Industrial.

We reiterate that the Receivers and Managers were appointed over the Company on 19 July 2019 and effectively control the Company's assets. Notwithstanding their appointment, they have allowed us to maintain control of the funds held in the Business Cheque Account (considered a circulating asset) to meet the costs of the administration and priority claims pursuant to the provisions of the Act.

6.2 Trade Debtors

As previously advised, the Directors' ROCAP disclosed the following outstanding trade debtors / receivables on our appointment:

Entity	Amount Outstanding (\$)
Erdifuels Pty Ltd	114,450
Woodside Energy Ltd	11,000
Samada Street Nominees Pty Ltd	100,000
Samada Street Nominees Pty Ltd As Trustee For Tadar Super Pty Ltd	15,000
Total	240,450

We refer to our comments made in Section 6.2 of our previous Report with respect to the Company's debtors.

As disclosed previously, the Company is subject to the appointment of the Receivers and Managers who effectively control the assets of the Company. We note that the Company's trade debtors are generally considered a circulating asset (subject to the terms of the General Security Agreement) and accordingly, may be available to meet certain priority (employee) claims prior to the repayment of the secured creditor's debt but after meeting the costs incurred by the Receivers and Managers in their collection efforts.

We have requested an update from the Receivers and Managers with respect to their efforts in this regard and are presently awaiting a response to same.

6.3 Plant and Equipment / Office Furniture

As discussed in Section 6.3 of our previous Report, on our appointment, we engaged our agent to inspect and provide a valuation of the Company's plant and equipment and office furniture.

We note that the majority of the Company's plant and equipment appears to have been subject to finance / registered security interests as detailed in Section 6.5 below.

The Receivers and Managers have advised that they have abandoned the majority of the assets located at the Company's former leased premises as the costs associated with the removal, relocation and sale of same would outweigh any potential benefit likely to be received.

6.4 Research and Development Grant ("R&D" Grant)

Since the issuance of our previous Report, the Receivers and Managers, together with our office, have been assessing the Company's entitlement and ability to submit a claim with respect to a potential R&D grant.

It appears that the Company had historically been submitting grant applications to the Department of Industry Innovation and Science through Vivid Industrial with any refund subsequently directed to the Company (as the head entity in the tax consolidated Group).

We note that we and the Receivers and Managers have been liaising with various parties with respect to the estimated costs, time and tasks involved in preparing the application together with the likelihood that the claim would be accepted and paid given the status of the Group.

Following lengthy discussions with Company's former advisors, significant uncertainty was raised with respect to the prospect of success.

Given the uncertainties surrounding the potential claim, the likely costs and that the advisors would not assist, we have elected to not proceed with preparing this application.

6.5 Secured Creditors

As noted in Section 6.4 of our previous Report, the following secured creditor hold registered security interests over the Company's property:

Notes	Secured Creditor	Collateral Cass	PMSI*
6.5.1	Evercharge Pty. Ltd.	All present and after acquired property – no exceptions ("All PAP")	No
6.5.2	Samada Street Nominees Pty Ltd	All PAP	No
6.5.3	Capital Finance Australia Limited	Commercial Property – Other Goods	Yes
6.5.4	The Trustee for The Finrent Unit Trust	Commercial Property – Other Goods	Yes

*Purchase Money Security Interest (PMSI) usually applies to a security interest over specific Company assets – commonly non-circulating assets (e.g: motor vehicles) and circulating assets (e.g: inventory).

We refer to our previous Report, however provide the following comments with regard to the above noted secured parties:

6.5.1 Evercharge Pty. Ltd. ("Evercharge")

We note that Evercharge has submitted a claim in the Administration for an amount totalling \$1,576,162.58 plus interest and costs.

6.5.2 Samada Street Nominees Pty Ltd ("Samada")

It is our understanding that of the total amount of \$2,500,000 committed by Samada, the amount of \$2,200,000 is secured over the Company and its subsidiaries assets and the balance, being \$300,000, represents an unsecured claim.

6.5.3 Capital Finance Australia Limited ("Capital")

As creditors are aware, Capital indicated that its security registration was with respect to three (3) contracts entered into through their agent, Telstra Corporation, with respect to the Company's computers and telephone systems.

Since our previous Report, the Receivers and Managers requested we issue a Notice of Disclaimer pursuant to Section 443(B)(3) of the Act, notifying Capital of our intention not to exercise the Company's property right to the telephone system, as there was no benefit to the Company's creditors in dealing with the same.

We note that Capital Finance has advised that the amount owing under their security totals \$51,359.19.

6.5.4 The Trustee for the Finrent Unit Trust ("Finrent")

Following our appointment, we issued correspondence to Finrent in order to determine the nature of its security registration and any amounts outstanding. As at the date of this report, we are yet to receive a response to same.

6.6 Priority Creditors (Employees)

Upon our appointment, the Company employed eleven (11) full time staff including one of its Directors.

Based on a review of the Company's books and records in our possession and advice received from the Company's management, it appears that the outstanding employee entitlements due upon our appointment are as follows:

Priority Claim	Amount Owed (\$)
Superannuation	28,922
Unpaid Wages	134,390
Annual Leave	150,543
Payment in Lieu of Notice ("PILN")	291,073
Long Service Leave	37,494
Less:	
Unsecured Portion of Related Party Priority Claim (discussed below)	290,994
Total Priority Claims	351,428

We note that the employees may be also be entitled to claim redundancy through the Fair Entitlement Guarantee (FEG) should the Company be placed into Liquidation at the forthcoming Adjourned Second Meeting of Creditors. The payment of redundancy will be at the discretion of FEG in the event that they group the three (3) employing entities as one.

We note that based on preliminary calculations, the amount of redundancy owing to employees is estimated to total approximately \$164,144.27.

Pursuant to the provisions of sections 556(1) and 561 of the Act, employee claims are paid in priority to circulating security interests from the realisation of the circulating assets, but subject to the costs of the Administration.

The priority claims of the Director, and any related party of the Director, are capped pursuant to the provisions of Section 556 (1A), (1B) and (1C) of the Act, being \$2,000 for superannuation and wages and \$1,500 for annual leave and long service leave. No priority is given for redundancy payments (if applicable). The remainder of the Director and related party entitlements rank as unsecured claims against the Company.

In this regard and based on our preliminary assessment (excluding any applicable redundancy), it appears that the following amounts are due to the Company's Director:

Entitlement	Total Claim (\$)	Allocation	
		Priority Claim (\$)	Unsecured Portion of Priority Claim (\$)
Superannuation	4,298	2,000	30,241
Wages	27,943		
Annual leave	77,376	1,500	113,370
Long Service Leave	37,494		
PILN	147,383	Nil	147,383
Total	294,494	3,500.00	290,994

FEG

If there are insufficient funds to pay the employee entitlements in full in a Liquidation, the Commonwealth Government, through its FEG scheme may, subject to certain limitations, pay unpaid wages up to 13 weeks, annual leave, long services leave, PILN up to a maximum of five weeks and redundancy pay up to a maximum of four weeks per full year of service (where such entitlements arise under a written instrument of employment). FEG does not cover superannuation. Where such payments have been met under FEG, the Commonwealth Government will rank by way of subrogation as a priority creditor in the Liquidation for the amount so advanced. However, we note that FEG payments are discretionary. Please refer to FEG's website for further details regarding FEG (www.employment.gov.au/fair-entitlements-guarantee-feg).

6.7 Unsecured Creditors

As at the date of this report, we are aware of approximately 48 unsecured creditors with claims totalling \$1,432,615. A list of the known unsecured creditors of the Company as at the date of our appointment is attached at **Annexure D** and summarised below:

Unsecured Creditor Type	Amount Owed (\$)
Australian Taxation Office	19,027
Related Party Creditors	409,744
Trade Creditors	1,003,844
Total	1,432,615

At the date of this report, not all creditors have submitted a proof of debt and as such the above amounts are subject to change.

7. Investigations

7.1 Related Parties

Related entities are defined by the Act to be any of the following:

- A promoter of the body;
- A relative, or de facto spouse of such a promoter;
- A relative of a spouse, or of a de facto spouse of such a promoter;
- A director or member of the body or of a related body corporate;
- A relative or de facto spouse, of such a director or member;
- A relative of a spouse or of a de factor of such a director or member;
- A body corporate that is related to the first mentioned body;
- A beneficiary under a trust of which the first mentioned body is or has at any time been a Trustee;
- A relative, or de facto spouse of such a beneficiary;
- A relative of a spouse or of a de factor spouse of such a beneficiary;
- A body corporation, one of whose directors is also a director of the first mentioned body;
- A Trustee of a trust under which a person is a beneficiary, where the person is a related entity of the first mentioned body because of any other application or applications of this definition.

As at the date of this Report and based on the information to hand, it would appear that the following creditors are related parties pursuant to the provisions of the Act:

Related Party	Nature of Debt	Type of Claim	Amount Owing (\$)
Samuel Marks	Priority	Capped outstanding employee entitlements	3,500
	Unsecured	Unsecured portion of outstanding employee entitlements (excluding redundancy)	290,994
Leslie Butterfield	Unsecured	Unpaid directors fees	20,833
Charles Macek	Unsecured	Unpaid directors fees	35,416
Elizabeth Aris	Unsecured	Unpaid directors fees	20,833
John Kopcheff	Unsecured	Unpaid directors fees	20,833
Philip Zajac	Unsecured	Unpaid directors fees	20,833

We make the following comments with respect to the above related parties:

- As disclosed previously, the Company's Board of Directors agreed to defer the payment of their Directors fees from February 2019 up to our appointment in an effort to address working capital deficiencies. We have obtained and reviewed written documentation with respect to same; and
- We refer to Section 6.6 of this report with respect to outstanding employee entitlements.

7.2 Offences

Directors or Officers, as defined in Section 9 of the Act, can be held accountable for offences when they fail to discharge their duties in accordance with the Act. A shadow director has the same obligations and is identified as a person that acts in the position of a director of a company. Pursuant to the provisions of the Act, we are required to consider whether the Director has committed any of the following offences:

- Section 180-183, Directors and Officers Duties;
- Section 184, Directors and Officers – Criminal Offences;
- Section 286, Obligation to Keep Financial Records;
- Section 588G, Insolvent Trading;
- Section 590, Offences by Officers; and
- Section 596, Fraud by Officers.

Our preliminary investigations have yet to definitively determine whether the Board of Directors may have committed any breaches of the Act. We however note that, pending further detailed analysis, it would appear that the Company may have traded whilst insolvent for some time prior to our appointment.

Attached at **Annexure D** is a Creditor Information Sheet on Offences, Recoverable Transactions and Insolvent Trading for information of the offences which may be identified by an Administrator and what transactions may be set-aside by a Liquidator, should a Liquidator be appointed at the forthcoming meeting.

Should the Company be placed into Liquidation, further investigations into the Company's affairs will need to be conducted.

7.3 Voidable Transactions

If the Company is placed into Liquidation, the Liquidator can seek to:

- recover payments that were made by the Company to a creditor prior to being placed into Administration, known as preference payments;
- reverse transactions that are considered uncommercial in so much that a reasonable person in the Company's circumstance would not have entered into the transaction having regard to the benefits and detriments to the Company and the other party (related or unrelated), known as uncommercial transactions;
- overturn any unfair loans where the terms are considered extortionate;
- reverse transactions between the Company and a related party to the Company that are considered unreasonable, known as unreasonable director-related transactions.

Preference payments, uncommercial transactions and unfair loans must have:

- occurred prior to the appointment of an administrator;
- been entered into with the specific relation back periods (ending on the relation back day) specified in section 588FE of the Act; and
- given effect to the Company either being or becoming insolvent as a result of entering into the transaction.

In such instances, a Liquidator appointed to the Company can commence recovery action pursuant to Section 588FF of the Act.

The requirement to prove insolvency at the time or as a result of entering into the transaction is not a requirement for unreasonable director-related transactions.

Unfair Preferences

As previously advised, we have identified the following potential unfair preferences:

Creditor	Amount (\$)
Deputy Commissioner of Taxation	164,050
Commissioner of State Revenue (Vic)	12,756
Commissioner of State Revenue (NSW)	5,280
Total	182,086

We refer to Section 7.3.1 of our previous Report for further information in this regard,

7.4 Insolvent Trading

The Board of Directors of the Company have a duty to prevent the Company from trading whilst insolvent. Section 95A of the Act specifies an entity is considered insolvent where it cannot pay all its debt as and when they become due and payable.

A liquidator, if appointed, pursuant to Section 588G of the Act could pursue the members of the Board personally for incurring debts at or after a time when a reasonable person in the Directors position would suspect that the Company was insolvent and they did not have a valid defence specified in Section 588H.

A full discussion of insolvent trading, including the defences available, is beyond the scope of this Report.

We refer to our previous Report regarding our preliminary investigations and our preliminary determination as to the Company's solvency and again note that it would appear that the Company may have potentially traded whilst insolvent for a period of time prior to our appointment.

8. Estimated Return in a Winding Up

We have provided below an updated estimate of the likely potential returns (on a high / low scenario) in a Liquidation:

Vivid Technology Limited (Receivers and Managers Appointed) (Administrators Appointed)			
Estimated Return in a Liquidation Scenario			
	Notes	Liquidation	
		High \$	Low \$
Current Cash at Bank Balance	1	26,523.83	26,523.83
Cash at Bank (Term Deposits)	1	To be determined	To be determined
Plant and equipment	2	Nil	Nil
Debtors / Receivables (pre appointment)	3	To be determined	To be determined
Insolvent trading claim	4	To be determined	To be determined
Preference (100% high v 50% low)	5	182,086.00	91,043.00
Total available assets		208,609.83	117,566.83
Less:			
Administrators' Remuneration	6	123,684.00	123,684.00
Administrators' Internal and External Disbursements	6	2,500.00	2,500.00
Liquidators' Remuneration	6	100,000.00	100,000.00
Liquidators' Internal and External Disbursements	7	26,000.00	26,000.00
Amount available for priority creditors	8	To be determined	To be determined
Amount available for unsecured creditors	8	To be determined	To be determined

1. Subject to the terms of the General Security Agreement, any funds available in this regard are firstly to be utilised to meet the costs associated with preserving the Company's assets and dealing with priority (employee) claims (prior to the repayment of the secured creditor's debt).
2. We refer to Section 6.3 of this report and reiterate that the Receivers and Managers have disclaimed their interest in the assets located at the Company's former leased premises. In any event, we note that the majority of the Company's non-circulating assets are subject to registered security interests.
3. We refer to Section 6.2 of this report and note that that we are unable to make any definitive comment regarding the Company's trade debtors / receivables that are under the control of the Receivers and Managers. We note that the Company's receivables are generally considered a circulating asset (subject to the terms of the General Security Agreement) and accordingly, may be available to meet certain priority (employee) claims prior to the repayment of the secured creditor's debt but subsequent to the costs and fees incurred by ourselves and the Receivers and Managers in their collection efforts.

We are presently awaiting an update from the Receivers and Managers with respect to their collection efforts in this regard.

4. We refer to Section 7.3.5 of this Report for further commentary regarding insolvent trading. At this stage, we are unable to provide a definitive comment due to the uncertainties regarding the quantum of any insolvent trading claim, the defences available to the Directors and their personal capacity to meet any potential claim.

5. We refer to Section 7.3 of this Report and note that for the purposes of the calculation, a recoverability estimate of 100% and 50% respectively has been attributed to the identified potential unfair preferences claims.
6. We refer to Section 11 of this Report for further details regarding our approvals sought for remuneration and disbursements for the Voluntary Administration and Liquidation (if applicable) periods that will be put to creditors at the forthcoming Adjourned Second Meeting of Creditors.
7. We refer to Section 11 of this report for further details regarding our approval for internal disbursements in a Liquidation scenario that we will seek at the forthcoming Adjourned Second Meeting of Creditors.

We note that the above amount also includes estimated external disbursements (that do not require approval by creditors), particularly legal fees associated with obtaining advice and pursuing any potential recovery actions. We note that legal fees in this instance have been estimated to be \$26,000 for the purpose of this calculation. We note that this range is an estimate only and may vary pending numerous factors including the level of legal involvement required and whether any recovery actions proceed to formal court proceedings.

8. At this juncture, it appears that a dividend to priority (employee) creditors and unsecured creditors (if any) in a Liquidation scenario remains and uncertain and has yet to be determined.

9. Administrators' Opinion

Pursuant to section 75-225(3) of the Act, we are required to provide our opinion on each of the following options available under section 439C of the Act.

9.1 Matters of a Material Nature

There are no matters which have not been disclosed within this Report which are of a material nature.

9.2 Deed of Company Arrangement

This option will not be available to creditors at the scheduled Adjourned Second Meeting.

9.3 Liquidation

We believe this is the only viable option available to creditors at the Adjourned Second Meeting. Accordingly, it is our recommendation that the creditors resolve to wind up the Company.

A resolution that the Company be wound up would be in the best interests of creditors as the Liquidator will be able to further investigate the affairs of the Company.

9.4 Administration to End

To end the Administration would return the Company to the control of its Board of Directors. In our opinion a resolution that the Administration end would not be in the best interests of creditors. The Board of Directors placed the Company in Administration to deal with the financial difficulties it was experiencing and we do not believe this position has been rectified.

9.5 Adjournment of Creditors Meeting

As creditors are aware, the Second Meeting of Creditors was held on Wednesday, 21 August 2019 whereby creditors resolved to adjourn the meeting for period of no more than forty-five (45) business days.

Pursuant to the provision of 75-140 (3) of the IPR-C, a meeting convened under Section 439A may be adjourned by a resolution of creditors, but only for a period of no more than forty five (45) business days from the date of the Second Meeting. Accordingly, a further adjournment of this meeting is not available to creditors at the forthcoming Adjourned Second Meeting.

10. Adjourned Second Meeting of Creditors

As disclosed above, creditors resolved to adjourn the Second Meeting of Creditors for a period of no more than forty-five (45) business days. Accordingly, the adjourned Second Meeting of Creditors has now been scheduled for **Friday, 18 October 2019 at 10.00am** to be held at the offices of SV Partners, Level 17, 200 Queen Street, Melbourne VIC 3000. A Notice of Meeting is included at Annexure B of this Report.

An Appointment of Proxy is also included at **Annexure G** of this Report to enable you to appoint another person to act on your behalf at the meeting. Your Proxy form and Proof of Debt form should be returned to this office **by no later 5pm on Thursday, 17 October 2018**.

A creditor, or the creditor's proxy, is not entitled to vote at the meeting unless particulars of the debt or claim which is said to be due by the Company has been lodged with the presiding person of the meeting. A blank Form 535, Formal Proof of Debt or Claim (General Form) is attached at **Annexure F** of this Report.

11. Remuneration and Disbursements

We are entitled to receive remuneration for necessary work, properly performed in relation to the Administration / Liquidation of the Company. Pursuant to section 60-10 of the *Insolvency Practice Schedule* (IPS-C), remuneration can be approved by creditors, a committee of inspection or through the court.

As a consequence of the adjournment of the Second Meeting of Creditors to provide additional time for our office, in concert with the Receivers and Managers to seek expressions of interest regarding the sale / restructure / recapitalisation of the Group, we now estimate that our total remuneration to the conclusion of the Voluntary Administration period will be \$123,684.00 (excluding GST). The reasons for the variance from the original estimates are due to:

- Convening and holding the Adjourned Second Meeting of Creditors;
- Additional reporting requirements (Supplementary Report to Creditors) as a consequence of adjournment of the Second Meeting of Creditors (including statutory commitments);
- Numerous meetings / correspondences with Company Directors; Receivers and Managers; secured creditors and others with respect to any potential recapitalisation / sale of the Company's Groups business and assets;
- Correspondence/communications with the Receivers and Managers and Company's former advisors with respect to the R&D Grant; and

- Negotiations with interested parties with respect to the Company's / Group's business and assets.

Accordingly, we attach our Supplementary Remuneration Approval Report (RAR) pursuant to section 70-45 of the IPR-C at **Annexure E** for your information.

It is our intention at the Adjourned Second Meeting of Creditors to seek approval for our further remuneration and internal disbursements as Administrators' / Liquidators' (as applicable) of the Company in accordance with SV Partners Insolvency (VIC) Pty Ltd scale of hourly rates at detailed in the attached RAR, as follows:

REMUNERATION

VOLUNTARY ADMINISTRATION

Remuneration: 22 August 2019 to 9 October 2019 (Administration)

"That the remuneration of the Joint and Several Administrators, Peter Gountzos and Richard Cauchi, and their directors and staff for the period 22 August 2019 to 9 October 2019, calculated at the hourly rates effective as at 1 July 2019, as detailed in the report to creditors of 11 October 2019, be fixed in the amount of \$35,933.00 plus GST and the Joint and Several Administrators can draw the remuneration immediately or as required."

Remuneration: 10 October 2019 to 18 October 2019 (Administration)

"That the future remuneration of the Joint and Several Administrators, Peter Gountzos and Richard Cauchi from 10 October 2019 to 18 October 2019 is determined at a sum equal to the costs of time spent by the Joint and Several Administrators, their directors and staff, calculated at the hourly rates effective as at 1 July 2019, as detailed in the report to creditors of 11 October 2019 up to a capped amount of \$20,000, plus GST and the Joint and Several Administrators can draw the remuneration on a monthly basis or as required."

LIQUIDATION (IF APPLICABLE)

Remuneration: 19 October 2019 to 18 October 2020 (Liquidation)

"That the remuneration of the Joint and Several Liquidators, Peter Gountzos and Richard Cauchi for the period 19 October 2019 to 18 October 2020 is determined at a sum equal to the costs of time spent by the Joint and Several Liquidators, their directors and staff, calculated at the hourly rates effective as at 1 July 2019 (which may be increased at a rate of up to 6% at 1 July each year), as detailed in the report to creditors dated 11 October 2019 up to a capped amount of \$100,000, plus GST and the Joint and Several Liquidator can draw the remuneration on a monthly basis or as required."

Remuneration: Fixed Fee for the Purpose of ASIC FM Levy

"That the remuneration of the Joint and Several Liquidators, Peter Gountzos and Richard Cauchi, be approved in a fixed fee basis, capped in the sum of \$750.00 plus GST, for the purpose of meeting the ASIC Funding Model levy and the Joint and Several Liquidators can draw the remuneration immediately or as required."

INTERNAL DISBURSEMENTS

VOLUNTARY ADMINISTRATION

Internal Disbursements: 22 August 2019 to 9 October 2019 (Administration)

"That the internal (non-professional) disbursement costs as detailed in the report to creditors dated 11 October 2019 incurred by the Joint and Several Administrators, Peter Gountzos and Richard Cauchi, their directors and staff for the period 22 August 2019 to 9 October 2019 to be fixed in the amount of \$37.77 plus GST."

Internal Disbursements: 10 October 2019 to 18 October 2019 (Administration)

"That the internal (non-professional) disbursement costs as detailed in the report to creditors of 14 August 2019 anticipated to be incurred by the Joint and Several Administrators, Peter Gountzos and Richard Cauchi, their directors and staff for the period 10 October 2019 to 18 October 2019 to be capped in the amount of \$2,000, plus GST."

LIQUIDATION

Resolution: Internal Disbursements – 19 October 2019 to 18 October 2020 (Liquidation) (if applicable)

"That the internal (non-professional) disbursement costs as detailed in the report to creditors dated 11 October 2019 anticipated to be incurred by the Joint and Several Liquidators, Peter Gountzos and Richard Cauchi, their directors and staff for the period 19 October 2019 to 18 October 2020 to be capped in the amount of \$1,500, plus GST."

If you have any queries or require further information, please refer to the contact information on the front page of this report.

Dated this 11th day of October 2019



PETER GOUNTZOS
JOINT AND SEVERAL ADMINISTRATOR



ANNEXURE A

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Corporations Act 2001 (Cth)
Insolvency Practice Rules (Corporations)

**NOTICE OF ADJOURNED SECOND MEETING OF CREDITORS OF COMPANY UNDER ADMINISTRATION
VIVID TECHNOLOGY LIMITED
(TRADING AS "GREENEARTH POWER", "GREENEARTH RENEWEABLE ENERGY", "NEWCO2FUELS",
"NEWCO2" AND "VIVID TECHNOLOGY GROUP")
(RECEIVERS AND MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED)
A.C.N 120 710 625
(the Company)**

Peter Gountzos and Richard John Cauchi were appointed Administrators of Vivid Technology Limited (Receivers and Managers Appointed) (Administrators Appointed) on 17 July 2019 pursuant to a resolution of the Company's Board of Directors in accordance with section 436A(1) of the *Corporations Act 2001 (Cth)* (the Act).

Notice is given that the Adjourned Second Meeting of Creditors of the Company will be held at the offices of SV Partners Melbourne, Level 17, 200 Queen Street, Melbourne VIC 3000 on Friday, 18 October at 10:00am.

AGENDA:

1. The purpose of the adjourned meeting is to determine the fate of the Company, specifically if:
 - a. the Company executes a deed of company arrangement;
 - b. the Administration end; or
 - c. the Company be wound up.
2. To seek the further approval of the Joint and Several Administrators' Remuneration;
3. To seek the further approval of the Joint and Several Administrators' Disbursements;
4. In the event that the Company is wound up, to confirm Peter Gountzos and Richard John Cauchi as the Joint and Several Liquidators of the Company;
5. To seek approval of the Joint and Several Liquidators' remuneration;
6. To seek approval of the Joint and Several Liquidators' disbursements;
7. The appointment of a Committee of Inspection;
8. In the event that the Company is put into Liquidation, authorise the Liquidators to destroy, at their discretion, the books and records of the Company within a period of 5 years after dissolution of the Company, subject to obtaining prior approval from the Australian Securities and Investments Commission; and
9. Any other business which may be properly brought before the meeting.

Pursuant to section 75-85 *Insolvency Practice Rules (Corporations)* (IPR-C), only creditors (or their appointed proxy or attorney are entitled to vote at the meeting. As a creditor, you are entitled to exercise your vote provided that prior to the meeting:

- you have submitted a Form 535 Proof of Debt (POD), complete with particulars evidencing your claim. This is required to enable the person presiding at the meeting to admit your claim for voting purposes; and
- when completing your POD, take notice that you are unable to vote in respect of:
 - any unliquidated or contingent debt; or
 - any unliquidated or contingent claim; or
 - in circumstances where the value of the debt is unable to be established; or
 - where security is held and the secured creditor is solvent, a secured creditor can elect to deduct an estimate of the value of their security from the claim. This value will be admitted for voting (and not dividend) purposes only; and
 - sections 75-86 of the IPR-C and section 560 of the Act extends the entitlement to vote where a person has advanced money to the Company.
- where the creditor is a corporate entity a representative must be appointed to vote. If a creditor elects to be represented by an attorney, the power of attorney must be provided prior to the meeting in accordance with section 75-25 of the IPR-C. Where a proxy or attorney is assigned to vote, this must also be provided prior to the meeting. Due to our requirements to determine your entitlement to vote, POD and proxy forms received on the meeting day will not be accepted.

If you choose, you can participate in the meeting remotely by using our electronic facilities. Details of the meeting are:

Telephone conference details

Call (03) 9669 1100

In accordance with section 75-35 IPR-C you need to provide our office on melbourne@svp.com.au by Thursday, 17 October 2019 at 5:00pm, with a written statement setting out:

Creditor Name:	
Proxy or Attorney (if any):	
Address:	
Method of contact:	

Should you have any queries or wish to discuss this further please contact Christina Ferraro or Maddie Collins of our office on (03) 9669 1100.

Dated 11 October 2019

PETER GOUNTZOS
JOINT & SEVERAL ADMINISTRATOR
LEVEL 17
200 QUEEN STREET
MELBOURNE VIC 3000
03 9669 1100
03 9670 4435



ANNEXURE B

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VIVID TECHNOLOGY LIMITED
(TRADING AS "GREENEARTH POWER", "GREENEARTH RENEWABLE ENERGY",
"NEWCO2FUELS", "NEWCO2" AND "VIVID TECHNOLOGY GROUP")
(ADMINISTRATORS APPOINTED)
(RECEIVERS AND MANAGERS APPOINTED)
A.C.N. 120 710 625

Joint and Several Administrators Receipts and Payments
as at 10 October 2019

Receipts	\$
Cash at Bank - Administration Account	49,480.41
Cash at Bank Pre appointment Westpac Account	70.00
Total Receipts	<u>49,550.41</u>
Payments	
Wages & Salaries	3,611.86
Superannuation	397.95
Agents Fees	990.00
Appointees Disbursements	2,190.06
Computershare	540.79
Courier - Delivery of Records	271.37
I.T Fees	1,293.60
Insurance	478.50
Insurance - Stamp Duty	31.35
Photocopying	519.20
Reallocation / Transfer of funds to Vivid Industrial Pty Ltd (Administrators Appointed)	13,142.05
Total Payments	<u>23,466.73</u>
Cash at Bank	<u><u>26,083.68</u></u>

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ANNEXURE C

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**Vivid Technology Limited
(Receivers and Managers Appointed)
(Administrators Appointed)**

Known Unsecured Creditors as at 17 July 2019

Unsecured Creditor	Amount (\$)
ABL	4,400.00
Arc de Triomphe Securities	35,140.32
ASX Settlement Pty Ltd	30,447.72
Aussie Broadband Pty Ltd	572.04
Aust-Israel Chamber of Commerce Ltd.	6,600.00
Australian International Lawye	30,466.50
Baker McKenzie	40,732.63
Bean Media Group Pty Ltd	8,794.50
BLAB Australia & New Zealand	1,650.00
Carr Consulting Australia	40,028.75
Charles Macek	35,416.65
Computershare	18,171.92
Deputy Commissioner of Taxation	19,026.64
Dock 5 Australia Pty Ltd	TBC
Elizabeth Aris	20,833.35
Fielding Hill Capital	6,600.00
Fresh & Clean - Melbourne	37.40
Georgeson Shareholder Comm	5,500.00
H.A Aluminium Windows	4,000.00
IC Underground Pty Ltd	200,000.00
IBM Global Financing Australia Ltd	52870.35
J J Richards & Sons Pty Ltd	60.90
John Keogh	660.00
John Kopcheff	20,833.35
Juillard Group of Companies	3,993.00
KMT Group Pty Ltd	27,061.04
KPMG	67,651.71
Lakes Oil NL	38,655.00
Leslie Butterfield	20,833.35
Nelson Alexander	3,851.16
NSW Office of State Revenue	40,287.74
OfficeWorks	62.73
Optus Billing Services Pty Ltd	652.20
Philip Zajac	20,833.35
Pitcher Partners	105,266.31
Qualia Creative Pty Ltd	1,375.00
Richard Ewan Bromley Mews	50,000.00
Richard Ewan Mews & Wee Khoo Mews (Mews Super Fund)	50,000.00
Samuel Marks	290,993.90
Shareable Apps	2,200.00
Smart Storage Group	96.25
STOUT	70,234.58
State Revenue Office Victoria	7,205.60
Taronga Ventures	27,225.00
Urbain Du Plessis	5,583.30
VCF Capital Partners Pty Ltd	8,750.00
Veritas Securities Limited	3,850.00
Viatek	1,980.00
Wideband Networks Pty Ltd	814.25
World Horti Center	316.11

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ANNEXURE D

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Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by an external administrator:

- | | |
|---------|--|
| 180 | Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties. |
| 181 | Failure to act in good faith. |
| 182 | Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage. |
| 183 | Making improper use of information acquired by virtue of the officer's position. |
| 184 | Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence. |
| 198G | Performing or exercising a function or power as an officer while a company is under administration. |
| 206A | Contravening a court order against taking part in the management of a corporation. |
| 206A, B | Taking part in the management of corporation while being an insolvent, for example, while bankrupt. |
| 206A, B | Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences. |
| 209(3) | Dishonest failure to observe requirements on making loans to directors or related companies. |
| 254T | Paying dividends except out of profits. |
| 286 | Failure to keep proper accounting records. |
| 312 | Obstruction of an auditor. |
| 314-7 | Failure to comply with requirements for the preparation of financial statements. |
| 437D(5) | Unauthorised dealing with company's property during administration. |
| 438B(4) | Failure by directors to assist administrator, deliver records and provide information. |
| 438C(5) | Failure to deliver up books and records to the administrator. |
| 590 | Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors. |

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and,
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Creditor Rights in Voluntary Administrations

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



Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

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

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

Requests must be reasonable.

They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

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

An individual creditor cannot provide a direction to a voluntary administrator.

Right to appoint a reviewing liquidator

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

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

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

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

Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the company into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator. These additional costs of appointing another registered liquidator are paid from the assets of the deed of company arrangement or liquidation, in priority to creditor claims.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

svpartners

specialized construction solutions

ANNEXURE E

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11 October 2019

svpartners
specialist accountants & advisors

**Vivid Technology Limited
(Trading as “Greenearth Power”, “Greenearth Renewable
Energy”, “Newco2fuels”, “Newco2”
and “Vivid Technology Group”)
(Receivers and Managers Appointed)
(Administrators Appointed)
ACN 120 710 625
(the Company)**

SUPPLEMENTARY REMUNERATION APPROVAL REPORT

Administrators
Richard John Cauchi
Peter Gountzos

Appointed: 17 July 2019

Contacts
Christina Ferraro
(03) 9669 1100
christina.ferraro@svp.com.au

Maddie Collins
(03) 9669 1100
maddie.collins@svp.com.au

SV Partners
Level 17
200 Queen Street
MELBOURNE VIC 3000

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1. What do you need to do?

This Supplementary Remuneration report provides you with the information you need to be able to make an informed decision regarding the approval of our further remuneration for undertaking the Voluntary Administration and Liquidation of the Company (the Administration).

You should read this Report and the other documentation we have sent you and then attend the Adjourned Second Meeting of Creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a Proxy form. Lodging a Specific Proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

1.1 Declaration

We confirm that we have undertaken a proper assessment of our remuneration claim for our appointment as Administrators of Vivid Technology Limited (Receivers and Managers Appointed) (Administrators Appointed) and proposed appointment as Liquidators in accordance with the law and applicable professional standards. We are satisfied the remuneration claimed is or will be in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

2. Executive Summary

Remuneration and internal (non-professional) disbursements approved in this Administration to date are as follows:

Period	Report Reference	Amount (ex GST) (\$)
Past remuneration approval received :		
Resolution 1: 17 July 2019 to 9 August 2019	Report dated 14 August 2019	49,329.00
Resolution 2: 10 August 2019 to 21 August 2019*		25,000.00
Total Past Remuneration Approved		74,329.00
Internal Disbursements approval sought:		
Past internal disbursements approved:		
Resolution 3: 17 July 2019 to 9 August 2019	Report dated 14 August 2019	200.85
Resolution 4: 10 August 2019 to 21 August 2019*		150.00
Total Past Internal Disbursements Approved		350.85

This Supplementary Remuneration Report details approval sought for the following fees and disbursements:

Period	Report Reference	Amount (ex GST) (\$)
Remuneration:		
<u>Voluntary Administration</u>	Report dated 11 October 2019	
Resolution 1: 22 August 2019 to 9 October 2019		35,933.00
Resolution 2: 10 October 2019 to 18 October 2019*		20,000.00
Total Further Remuneration Sought – Voluntary Administration		55,933.00
<u>Liquidation</u>		
Resolution 9: Liquidation - Fixed Fee		750.00
Resolution 10: 19 October 2019 to 18 October 2020*		100,000.00
Total Further Remuneration Sought – Voluntary Liquidation		100,750.00
Internal Disbursements approval sought:		
<u>Voluntary Administration</u>	Report dated 11 October 2019	
Resolution 3: 22 August 2019 to 9 October 2019		37.70
Resolution 4: 10 October 2019 to 18 October 2019*		2,000.00
Total Further Internal Disbursements Sought – Voluntary Administration		2,037.70
<u>Liquidation</u>		
Resolution 11: 19 October 2019 to 18 October 2020*		1,500.00
Total Further Internal Disbursements Sought – Voluntary Liquidation		1,500.00
* Approval for the remuneration and internal disbursements sought is based on actual work/disbursements undertaken and an estimate of the work/disbursements necessary to the completion of the administration. Should additional work/disbursements be necessary beyond what is contemplated, further approval may be sought from creditors.		

3: Remuneration

3.1 Statement of Remuneration Claim

Remuneration Methods

As advised in the Initial Remuneration Notice (IRN), there are four basic methods that can be used to calculate the remuneration charged by an Insolvency practitioner. They are:

- *time based/ hourly rates*: This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work, multiplied by the number of hours spent by each person on each of the tasks performed;
- *fixed fee*: The total fee charged is normally quoted at the commencement of the Administration and is the total cost for the Administration. Sometimes a 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 assets realisations; and
- *contingency*: The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Method Chosen

Given the nature of this Administration and the increased costs imposed by the government for carrying out our statutory compliance, we propose our remuneration be calculated on fixed fee and time based hourly rates.

- Fixed Fee (as applicable)

Due to the increased regulatory costs of carrying out our duties as Liquidators (if appointed) of Vivid Technology Limited (Receivers and Managers Appointed) (Administrators Appointed), we propose our remuneration be partly calculated on a fixed fee basis, capped to \$750.00 plus GST. This method is appropriate because:

- It is a one off fixed charge set to recover the increased costs imposed by the government under the *ASIC Supervisory Cost Recovery Levy Act 2017* (the SCRL Act), to perform our statutory compliance as Liquidator/s for Vivid Technology Limited (Receivers and Managers Appointed) (Administrators Appointed);
- The levy imposed by the SCRL Act is based on a series of notifiable events and varies in cost depending on the size, complexity and time to complete the Administration. A fixed fee arrangement, is beneficial to creditors as it provides certainty about how much the remuneration claim will be to completion of the liquidation;
- Once a fixed fee is approved, no further fee approval can be requested for this particular cost; and
- The risk of additional costs incurred above the fixed fee amount are transferred to us.

The basis upon which the fixed fee has been calculated is through the estimated levy imposed on us by the SCRL Act. Events that incur a levy have been reviewed and a fixed average cost has been calculated across all types of jobs, considering:

- Historical events SV Partners have been involved with that now incur a levy;
- Size and complexity of jobs (as a larger job would incur more levies); and
- The estimated cost of the levy per historical event.

The fixed fee has been set to recover the increased costs to the firm as a result of the SCRL Act and does not cover all of the work performed on the administration. If you require further information to understand how the amount of remuneration has been calculated, please contact this office on (03) 9669 1100 or melbourne@svp.com.au.

- Time Based Hourly Rates – prospective and retrospective

Given the nature of this Administration, we confirm that we propose that our prospective and retrospective remuneration for work performed on the Administration, be calculated on time based hourly rates. This is because:

- We have a time recording system that is able to produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the administration;
- This method calculates fees upon a basis of time spent at the level appropriate to the work performed;
- The method provides full accountability in the method of calculation;
- It is the method recommended by the Australian Restructuring, Insolvency and Turnaround Association (ARITA) in most insolvency appointments;
- It is the method also recommended by the Review of the Regulation of Corporate Insolvency Practitioners in 1997; and
- It is a method that has consistently been recognised as appropriate by the courts when called upon to approve remuneration.

The basis upon which the time based fee has been calculated is the hourly rates of ourselves and our staff likely to be charged for the services to be performed in carrying out obligations and duties on the Administration.

Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the attached Reports (refer to Part 4) with a general guide showing the position and experience of staff engaged in the Administration. The hourly rates charged encompass the total cost of providing professional services, and should not be compared to an hourly wage. The additional expenses being recovered in the hourly rate include:

- A. Rental of premises and other infrastructure;
- B. Insurances including professional indemnity insurance – all registered liquidators are required to maintain professional indemnity insurance or a performance bond;
- C. Continuing professional development and education of staff – our staff must be aware of the latest changes relating to insolvency law;
- D. Maintaining a full staff complement – given the nature of our work we require a full highly skilled staff complement at all times;
- E. Burden of risk – in many circumstances we are personally liable for any debts incurred whilst trading the business; and
- F. Legal obligations – there are many ongoing reporting requirements which we must comply with regardless of the amount of assets within an administration. There are many instances where we do not recover our full fees or disbursements incurred in attending to an administration.

Resolutions

The resolutions for voting on the approval of our prospective and retrospective remuneration at the forthcoming adjourned Second Meeting of Creditors are as follows:

Voluntary Administration

Resolution 1: 22 August 2019 to 9 October 2019 (Voluntary Administration)

“That the remuneration of the Joint and Several Administrators, Peter Gountzos and Richard Cauchi, and their directors and staff for the period 22 August 2019 to 9 October 2019, calculated at the hourly rates effective as at 1 July 2019, as detailed in the report to creditors of 11 October 2019, be fixed in the amount of \$35,933.00 plus GST and the Joint and Several Administrators can draw the remuneration immediately or as required.”

Resolution 2: 10 October 2019 to 18 October 2019 (Voluntary Administration)

“That the future remuneration of the Joint and Several Administrators, Peter Gountzos and Richard Cauchi from 10 October 2019 to 18 October 2019 is determined at a sum equal to the costs of time spent by the Joint and Several Administrators, their directors and staff, calculated at the hourly rates effective as at 1 July 2019, as detailed in the report to creditors of 11 October 2019 up to a capped amount of \$20,000, plus GST and the Joint and Several Administrators can draw the remuneration on a monthly basis or as required.”

Liquidation

Resolution 9: Approval of Fixed Remuneration for the Purpose of ASIC FM Levy

“That the remuneration of the Joint and Several Liquidators, Peter Gountzos and Richard Cauchi, be approved in a fixed fee basis, capped in the sum of \$750.00 plus GST, for the purpose of meeting the ASIC Funding Model levy and the Joint and Several Liquidators can draw the remuneration immediately or as required.”

Resolution 10: First year of the Liquidation –19 October 2019 to 18 October 2020 (if applicable)

“That the remuneration of the Joint and Several Liquidators, Peter Gountzos and Richard Cauchi for the period 19 October 2019 to 18 October 2020 is determined at a sum equal to the costs of time spent by the Joint and Several Liquidators, their directors and staff, calculated at the hourly rates effective as at 1 July 2019 (which may be increased at a rate of up to 6% at 1 July each year), as detailed in the report to creditors dated 11 October 2019 up to a capped amount of \$100,000, plus GST and the Joint and Several Liquidator can draw the remuneration on a monthly basis or as required.”

3.2 Previous remuneration advice

We refer to our previous Report dated 14 August 2019 regarding previous remuneration approval sought from creditors.

As at 9 October 2019, our unpaid remuneration total \$103,684 (plus GST). With respect to the work completed for the period 10 August 2019 to 21 August 2019, creditors approved and capped our remuneration in the amount of \$25,000 (plus GST). We note that we did not reach this approved amount.

However, as a consequence of creditors resolving to adjourn the Second Meeting of Creditors to, we now estimate that our total remuneration to the conclusion of the Voluntary Administration period will be \$123,684.00 (excluding GST).

Nevertheless, this remuneration request is consistent with the estimate provided in our IRN on 19 July 2019. We have however incurred further costs as a result of:

- Numerous meetings / correspondences with Company Directors with respect to any potential recapitalisation / sale of the Company's and Group's business and assets;
- Correspondence/communications with the Receivers and Managers and Company's former advisors with respect to the potential of the Research and Development ("R&D") claim;
- Correspondence/communications with the Receivers and Managers to discuss the restructuring opportunities with interested parties;
- Negotiations with interested parties with respect to the Group's assets;
- Deal with the personal contribution by the Company's Director (Charles Macek) to meet the payment of the ASX listing fee in order to preserve the Company's opportunity to recapitalise and restructure; and
- Facilitate the preparation of the financial accounts for the financial year ended 30 June 2019.

Accordingly, at the forthcoming adjourned Second Meeting, we will be seeking further fee approval to enable us to complete the Voluntary Administration and Liquidation.

3.3 Description of Work

Attached is a Report providing a listing of tasks completed and projected split into categories dealing with assets, creditors, employees, trade on (if applicable), investigations, dividends (if applicable), and administrative tasks.

3.4 Calculation of Remuneration

To assist you in understanding how the amount of remuneration has been calculated, we have also attached the calculation per resolution detailing the employee, their position, rate per hour and the hours spent to date and/or projected to be spent per task category.

3.5 Estimated future remuneration

In preparing this Report to creditors, we have made our best estimate of the cost to complete. However, should the Administration not proceed as expected, we will advise creditors and will seek approval of further remuneration. Matters that may affect the progress and the cost of this Administration include the variables noted below:

- Dealing with the Receivers and Managers and matters relating to the Company's assets under their appointment;
- Verifying outstanding employees entitlements; and
- Detailed investigations and pursuit (if applicable) of any potential voidable transactions and any insolvent trading claim identified.

3.6 Likely Impact on Dividends

The remuneration, if approved, will have the effect of decreasing the amount that would otherwise be available to secured creditors, priority creditors and unsecured creditors, by reducing any potential cents in the dollar dividend by the amount of our approved remuneration and internal (non-professional) disbursements.

3.7 Remuneration Recovered from External Sources

No funding has been received from external sources to date.

4. Disbursements

Disbursements are divided into three types:

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

We have undertaken a proper assessment of disbursements claimed for the Administration of Vivid Technology Limited (Receivers and Managers Appointed) (Administrators Appointed), in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

4.1 Disbursement Claim Resolutions

Disbursements provided by our firm will be charged to the Administration on the following basis:

Disbursements	Charges
Photocopying	\$0.65 per copy
Printing	\$0.65 per copy
Storage	\$49 per box
Searches, Couriers and Advertising	At Cost

Approval of these disbursements from creditors is being sought at the forthcoming Adjourned Second Meeting of Creditors as follows:

Resolution 3: 22 August 2019 to 9 October 2019 (Voluntary Administration)

"That the internal (non-professional) disbursement costs as detailed in the report to creditors dated 11 October 2019 incurred by the Joint and Several Administrators, Peter Gountzos and Richard Cauchi, their directors and staff for the period 22 August 2019 to 9 October 2019 to be fixed in the amount of \$37.77, plus GST."

Disbursements	Amount (\$)
Photocopying (5 pages at \$0.65 per page)	3.25
Printing (53 pages at \$0.65 per page)	34.45

Resolution 4: 10 October 2019 to 18 October 2019 (Voluntary Administration)

"That the internal (non-professional) disbursement costs as detailed in the report to creditors of 14 August 2019 anticipated to be incurred by the Joint and Several Administrators, Peter Gountzos and Richard Cauchi, their directors and staff for the period 10 October 2019 to 18 October 2019 to be capped in the amount of \$2,000, plus GST."

Resolution 11: 19 October 2019 to 18 October 2020 (Liquidation)

"That the internal (non-professional) disbursement costs as detailed in the report to creditors dated 11 October 2019 anticipated to be incurred by the Joint and Several Liquidators, Peter Gountzos and Richard Cauchi, their directors and staff for the period 19 October 2019 to 18 October 2020 to be capped in the amount of \$1,500, plus GST."

5. Further Information

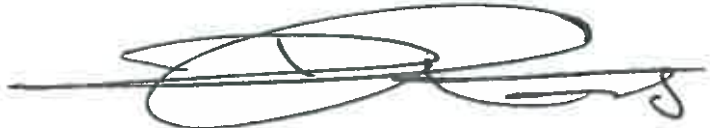
If you have any queries in relation to the information in this report, please contact this office on (03) 9669 1100 or at melbourne@svp.com.au.

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

- ARITA at www.arita.com.au/creditors

- ASIC at www.asic.gov.au/for-consumers/insolvency-your-rights

Dated this 11th day of October 2019

A handwritten signature in black ink, appearing to read 'Peter Gountzos', written over a horizontal line.

PETER GOUNTZOS
JOINT AND SEVERAL ADMINISTRATOR

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Remuneration Report					
Part 3 - Resolution 1: Description of work completed from 22 August 2019 to 9 October 2019					
Company	Vivid Technology Limited	From	22 August 2019	To	09 October 2019
Practitioner	Peter Gountzos and Richard John Cauchi	Firm	SV Partners Insolvency (VIC) Pty Ltd		
Administration Type		Voluntary Administration			
Task Area	General Description	Includes			
Assets 31.90 Hours \$17,051.00	Expressions of Interest / Sale of Business Assets etc	Conduct enquiries with the Receivers and Managers as to the strategy / current position with respect to the realisation of the Company and subsidiaries assets / business			
		Liaise with the Receivers and Managers with respect to the expressions of interest campaign			
	Plant and Equipment ("P&E")	Review / investigations into Company's P&E (as appropriate)			
		Attend premises in relation to P&E			
		Conduct enquiries with the Receivers and Managers as to the strategy/ current position of P&E recoveries			
	Assets Subject to Specific Charges	All tasks associated with realising a charged asset			
	Debtors	Review / investigations into Company's debtors / other receivables (as appropriate)			
	Other Assets	Dealing with other assets			
	Leasing	Reviewing leasing documents			
Attending to general matters regarding leases					
Creditors 26.40 Hours \$8,906.00	Creditor Enquiries	Conduct enquiries with the Receivers and Managers regarding the current position of each lease			
		Receive and follow up creditor enquiries via telephone			
		Maintaining creditor enquiry register			
		Review and prepare correspondence to creditors and their representatives via facsimile, email and Responding to secured creditor's queries			
	Secured Creditor	Preparing correspondence to secured creditors in relation to PPSR security interests			
	Creditor reports	Preparing reports to creditors			
	Dealing with proofs of debt	Receipting, entering and reviewing of proofs of debt			
		Corresponding with SRO and ATO regarding proofs of debt			
	Meeting of creditors	Preparation of meeting notices, proxies and advertisements			
		Forward notices of meetings to all known creditors			
Preparation of meeting file, including agenda, certificate of postage, attendance register, list of Respond to stakeholder queries and questions immediately following the meeting					
Shareholder enquiries	Responding to shareholder correspondence				
Employees 3.20 Hours \$988.00	Employees enquiry	Receive and follow up employee enquiries by telephone and email			
		Maintain employee enquiry register			
	Calculation of entitlements	Calculating employee entitlements			
		Reviewing employee files and company's books and records			
		Reconciling superannuation accounts			
Trade on 0.30 Hours \$183.00	Processing receipts and payments	Reviewing Employment Contracts			
		Authorising payment for employee wages			
Investigation 9.20 Hours \$5,612.00	Conducting Investigation	Reconstruction of financial statements			
		Reviewing company's books and records			
		Preparation of comparative financial statements			
		Preparation of deficiency statement			
		Review of Bank Statements			
		Review of Company internal management accounts			
		Review of externally prepared financial statements			
	Consider and determine whether the Directors had committed any offences under the Act				
Searches	Conduct searches				
Communications with Director and Key Personnel	Liaise with Directors and key management personnel				
	Prepare and review correspondence to and from Directors				

Administration 12.30 Hours \$3,193.00	Correspondence	General correspondence to various parties
		Preparation of general file notes
	Document maintenance, file reviews and checklists	Updating checklists
		Filing of documents
	Insurance	Identification of potential issues requiring attention of insurance specialists
		Correspondence with insurance brokers regarding initial insurance and ongoing insurance
		Reviewing insurance policies
	Bank account administration	Preparing correspondence opening accounts
		Requesting bank statements
		Bank account reconciliations
		Correspondence with bank regarding specific transactions
ASIC Forms	Preparing and lodging ASIC forms	
Planning and review	Discussions regarding status of administration	
	Strategy meetings	
Total 83.30 Hours \$35,933.00		

All figures above are GST exclusive unless stated otherwise. GST is an outlay, in addition to our remuneration, and will be added to our remuneration amounts pursuant to the provisions of the A New Tax System (Goods and Services Tax) Act 1999 ('GST Act').

VIVID TECHNOLOGY LIMITED
(Trading as "GREENEARTH POWER", "GREENEARTH RENEWABLE ENERGY", "NEWCO2" AND "VIVID TECHNOLOGY GROUP")
(ADMINISTRATORS APPOINTED)
(RECEIVERS AND MANAGERS APPOINTED)
A.C.N. 120 710 625

Summary of Remuneration claimed for the period 22 August 2019 to 9 October 2019

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$	Task Area									
					Assets		Creditors		Employees		Trade On		Investigations	
					Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Richard Cauchi	Director	610	23.7	14,457.00	14.1	8,601.00	0.2	122.00	0.2	122.00		0.00	9.2	5,612.00
Peter Gounitzos	Director	610	14.6	8,906.00	9.8	5,978.00	3.2	1,952.00	0.2	122.00	0.3	183.00		0.00
Jessica Powell	Senior 2	320	2.7	864.00	1.9	608.00	0.8	256.00		0.00		0.00		0.00
Christina Ferraro	Senior 2	320	26.1	8,352.00	5.0	1,600.00	15.8	5,056.00	0.9	288.00		0.00		0.00
Maddie Collins	Intermediate 2	240	9.3	2,232.00	1.1	264.00	6.0	1,440.00	1.9	456.00		0.00		0.00
Arlen Mao	Graduate	200	0.4	80.00		0.00	0.4	80.00		0.00		0.00		0.00
Angela Hatzis	Senior Professional Support Officer	200	1.8	360.00		0.00		0.00		0.00		0.00		0.00
Akaterina Dimitriadis	Senior Professional Support Officer	200	0.4	80.00		0.00		0.00		0.00		0.00		0.00
Georgia Andolfatto	Senior Professional Support Officer	140	0.2	28.00		0.00		0.00		0.00		0.00		0.00
Zamira Sulovska	Junior	140	2.5	350.00		0.00		0.00		0.00		0.00		0.00
Chrystal Coates	Junior	140	1.6	224.00		0.00		0.00		0.00		0.00		0.00
Total		83.3		35,933.00	31.9	17,051.00	26.4	8,906.00	3.2	988.00	0.3	183.00	9.2	5,612.00
GST				3,593.30										
Total (incl GST)				39,526.30										
Average Hourly Rate (excl GST)				431.37	534.51		537.35		306.75		610.00		610.00	256.59

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Remuneration Report					
Part 3 - Resolution 2: Estimate of work to be completed from 10 October 2019 to 18 October 2019					
Company	Vivid Technology Limited	From	10 October 2019	To	18 October 2019
Practitioner	Peter Gountzos and Richard John Cauchi	Firm	SV Partners Insolvency (VIC) Pty Ltd		
Administration Type		Voluntary Administration			
Task Area	General Description	Includes			
Assets 9.50 Hours \$3,340.00	Expressions of Interest / Assets Realisations	Liaise with the Receivers and Managers with respect to the expressions of interest campaign			
		Liaise with interested parties			
Creditors 29.30 Hours \$10,693.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone			
		Maintaining creditor enquiry register			
	Creditor reports	Review and prepare correspondence to creditors and their representatives via facsimile, email and post			
		Further Preparation of Reports to Creditors			
	Dealing with proofs of debt	Receipting, entering and reviewing of proofs of debt			
		Corresponding with OSR and ATO regarding proofs of debt			
	Meeting of creditors	Preparation of meeting notices, proxies and advertisements			
		Forward notice of meeting to all known creditors			
		Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting			
		Respond to stakeholder queries and questions			
Employees 5.10 Hours \$1,183.00	Employees enquiry	Receive and follow up employee enquiries by telephone			
		Maintain employee enquiry register			
Investigation 4.80 Hours \$1,833.00	Conducting Investigation	Review and prepare correspondence to employees and their representatives via, email and post			
		Conduct further investigations as required			
Administration 9.80 Hours \$2,324.00	Correspondence	General correspondence to various parties			
		Preparation of general file notes			
	Document maintenance, file reviews and checklists	Updating checklists			
		Filing of documents			
		File reviews			
	Insurance	Correspondence with insurance brokers regarding ongoing insurance requirements			
ASIC Forms	Preparing and lodging ASIC forms				
Planning and review		Discussions regarding status of administration			
		Strategy meetings			
Total 58.50 Hours \$20,000					

All figures above are GST exclusive unless stated otherwise. GST is an outlay, in addition to our remuneration, and will be added to our remuneration amounts pursuant to the provisions of the A New Tax System (Goods and Services Tax) Act 1999 ('GST Act').

VIVID TECHNOLOGY LIMITED
(Trading as "GREENEARTH POWER", "GREENEARTH RENEWABLE ENERGY",
"NEWCO2FUELS", "NEWCO2" AND "VIVID TECHNOLOGY GROUP")
(ADMINISTRATORS APPOINTED)
(RECEIVERS AND MANAGERS APPOINTED)
A.C.N. 120 710 625

Summary of Remuneration claimed for the period 10 October 2019 to 18 October 2019

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$	Task Area											
					Assets		Creditors		Employees		Investigations		Administration			
					Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$		
Richard Cauchi	Director	610	2.4	1,464.00	0.5	305.00	1.5	915.00		0.00	0.3	183.00	0.1	61.00		
Peter Gountzos	Director	610	9.5	5,795.00	1.5	915.00	5.8	3,538.00	0.9	549.00	1.0	610.00	0.3	183.00		
Christina Ferraro	Senior 2	320	24.2	7,744.00	4.0	1,280.00	12.0	3,840.00	3.2	1,024.00	2.5	800.00	2.5	800.00		
Maddie Collins	Intermediate 2	240	17.5	4,200.00	3.5	840.00	10.0	2,400.00	1.0	240.00	1.0	240.00	2.0	480.00		
Angela Hatzis	Senior Professional Support Officer	200	1.0	200.00		0.00		0.00		0.00		0.00	1.0	200.00		
Akaterina Dimitriadis	Senior Professional Support Officer	200	0.9	180.00		0.00		0.00		0.00		0.00	0.9	180.00		
Georgia Andolfatto	Senior Professional Support Officer	140	1.0	140.00		0.00		0.00		0.00		0.00	1.0	140.00		
Zamira Sulovska	Junior	140	0.5	70.00		0.00		0.00		0.00		0.00	0.5	70.00		
Chrystal Coates	Junior	140	1.5	210.00		0.00		0.00		0.00		0.00	1.5	210.00		
Total			58.5	20,003.00	9.5	3,340.00	29.3	10,693.00	5.1	1,813.00	4.8	1,833.00	9.8	2,324.00		
GST				2,000.30												
Total (incl GST)				22,003.30												
Average Hourly Rate (excl GST)				341.93	351.58		384.95		355.40		381.88		237.14			

Remuneration Report					
Part 3 - Resolution 11: Estimate of work to be completed from 19 October 2019 to 18 October 2020					
Company	Vivid Technology Limited	From	19 October 2019	To	18 October 2020
Practitioner	Peter Gountzos and Richard John Cauchi	Firm	SV Partners Insolvency (VIC) Pty Ltd		
Administration Type		Creditors Voluntary Liquidation			
Task Area	General Description	Includes			
Assets 31.7 Hours \$12,143.00	Sale of Assets	Conduct enquiries with the Receivers and Managers regarding the outcome of the realisation of the Company's assets			
	Debtors	Conduct enquiries with the Receivers and Managers regarding the outcome of debtor recoveries			
	Other assets	Conduct enquiries with the Receivers and Managers regarding the outcome of other asset recoveries			
Creditors 74.5 Hours \$27,291.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone			
		Maintaining creditor enquiry register			
		Review and prepare correspondence to creditors and their representatives			
	Creditor reports	Preparing, investigation, meeting and general reports to creditors			
	Dealing with proofs of debt	Receipting, entering and reviewing of proofs of debt			
		Corresponding with OSR and ATO regarding proofs of debt			
	Meeting of creditors	Preparation of meeting notices, proxies and advertisements			
		Forward notices of meetings to all known creditors			
Preparation of meeting file, including agenda, certificate of postage, attendance register					
Employees 29.4 Hours \$9,645.00	Shareholder enquiries	Preparation and lodgement of minutes of meetings with ASIC			
		Responding to shareholder correspondence			
		Receive and follow up employee enquiries by telephone and email			
	Employees enquiry	Maintain employee enquiry register			
		Review and prepare correspondence to employees			
		Correspondence with FEG/Dept of Jobs and Small Business			
	FEG	Preparing notification spreadsheet			
		Preparing FEG quotations			
Preparing FEG verification					
Investigation 113.00 Hours \$42,558.00	Calculation of entitlements	Calculating employee entitlements			
		Reviewing employee files and company's books and records			
		Reconciling superannuation accounts			
	Other employee issues	Reviewing Employment Contracts			
		Correspondence with Centrelink			
		Reviewing company's books and records			
	Conducting Investigation	Review of specific transactions and liaising with directors regarding certain transactions			
		Completion of investigation checklist			
Lodgement of report with ASIC					
Voidable Transactions	Preparation and lodgement of supplementary report, if required				
	Further investigations into potential voidable transactions				
	Meetings / discussions regarding potential voidable transactions				
Insolvent Trading	Issue notices of demand				
	Correspondence with recipient				
	Liaise with legal representatives				
Litigation/ Recoveries	Preparation of solvency investigation report				
	Preparation of insolvent trading memorandum				
	Review Safe Harbour documentation				
ASIC reporting	Internal meetings to discuss status of litigation				
	Preparing brief to solicitors				
	Liaising with solicitors regarding recovery actions				
	Attending to negotiations				
	Attending to settlement matters				
	Preparing statutory investigation reports				

Administration 27.4 Hours \$8,363.00	Correspondence	General correspondence to various parties
		Preparation of general file notes
	Document maintenance, file reviews and checklists	Updating checklists
		Filing of documents
		File reviews
	Insurance	Correspondence with insurance brokers regarding cancellation of insurance requirements
	Bank account administration	Requesting bank statements
		Bank account reconciliations
		Correspondence with bank regarding specific transactions
	ASIC Forms	Preparing and lodging ASIC forms
		Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparation and lodgement of BAS returns
Total 276.00 Hours \$100,000.00	Planning and review	Discussions regarding status of administration
		Strategy meetings
	Books and records storage	Dealing with records in storage
		Sending job files and records to storage

All figures above are GST exclusive unless stated otherwise. GST is an outlay, in addition to our remuneration, and will be added to our remuneration amounts pursuant to the provisions of the A New Tax System (Goods and Services Tax) Act 1999 ('GST Act').

VIVID TECHNOLOGY LIMITED
 (TRADING AS "GREENEARTH POWER", "GREENEARTH RENEWABLE ENERGY",
 "NEWCO2FUELS", "NEWCO2" AND "VIVID TECHNOLOGY GROUP")
 (ADMINISTRATORS APPOINTED)
 (RECEIVERS AND MANAGERS APPOINTED)
 A.C.N. 120 710 625

Summary of Estimated Remuneration to be claimed for the period 19 October 2019 to 18 October 2020

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$	Task Area									
					Assets		Creditors		Employees		Investigations		Administration	
					Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Richard Cauchi	Director	610	17.7	10,797.00	4.0	2,440.00	3.5	2,135.00	1.0	610.00	7.2	4,392.00	2.0	1,220.00
Peter Gountzos	Director	610	47.1	28,731.00	5.1	3,111.00	14.8	9,028.00	1.5	915.00	22.2	13,542.00	3.5	2,135.00
Jessica Powell	Senior 2	320	31.0	9,920.00	5.5	1,760.00	5.0	1,600.00	7.5	2,400.00	10.0	3,200.00	3.0	960.00
Christina Ferraro	Senior 2	320	101.5	32,480.00	9.1	2,912.00	28.0	8,960.00	13.3	4,256.00	47.0	15,040.00	4.1	1,312.00
Maddie Collins	Intermediate 2	240	67.3	16,152.00	8.0	1,920.00	23.2	5,568.00	6.1	1,464.00	26.6	6,384.00	3.4	816.00
Angela Hatzis	Senior Professional Support Officer	200	3.1	620.00		0.00		0.00		0.00		0.00	3.1	620.00
Akaterina Dimitriadis	Senior Professional Support Officer	200	2.3	460.00		0.00		0.00		0.00		0.00	2.3	460.00
Georgia Andolfatto	Senior Professional Support Officer	140	2.0	280.00		0.00		0.00		0.00		0.00	2.0	280.00
Zamira Sulovska	Junior	140	2.0	280.00		0.00		0.00		0.00		0.00	2.0	280.00
Chrystal Coates	Junior	140	2.0	280.00		0.00		0.00		0.00		0.00	2.0	280.00
Total			276.0	100,000.00	31.7	12,143.00	74.5	27,291.00	29.4	9,645.00	113.0	42,558.00	27.4	8,363.00
GST				10,000.00										
Total (incl GST)				110,000.00										
Average Hourly Rate (excl GST)				362.32	383.06		366.32		328.06		376.62		305.22	

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SV PARTNERS
BUSINESS RECOVERY AND INSOLVENCY
SCHEDULE OF HOURLY RATES & GUIDE TO STAFF EXPERIENCE
EFFECTIVE 1 JULY 2019

Staff Classification	Rate \$	Guide to Staff Experience
Director / Appointee	\$610	Registered Liquidator, Administrator, Registered Trustee in Bankruptcy or Director, bringing his/her specialist skills to the Administration or insolvency task.
Associate Director	\$530	Typically more than 8 years of insolvency experience. Qualified accountant who oversees all staff and is responsible for all aspects of the file, subject to the direction of the Appointee. May be a Registered or Official Liquidator/Trustee able to accept appointments.
Senior Manager	\$490	Typically 8 or more years experience with at least 2 years as a manager. Qualified accountant with well developed technical skills and capable of controlling all aspects of an Administration.
Manager	\$450	Typical 6-8 years experience. Qualified accountant with well developed technical and commercial skills. Answerable to the Appointee, but otherwise responsible for all aspects of Administration.
Supervisor	\$380	Typically 4-6 years insolvency and accounting experience. CA ANZ/CPA Australia or equivalent qualification (referred to above as qualified accountant. Has conduct of minor Administrations. Assists planning and control of medium to larger jobs.
Senior Accountant 1	\$350	Typically more than 3 years of relevant insolvency and accounting experience. Assists planning and control of small to medium sized jobs, as well as performing some of the more difficult work on larger jobs.
Senior Accountant 2	\$320	Typically more than 2 years of relevant insolvency and accounting experience. Assists with small jobs as well as assisting with some of the more difficult work on larger jobs.
Accountant 1	\$290	Typically 1-2 years experience and is capable of working on smaller routine matters unsupervised and assists in the day to day fieldwork under supervision of more senior staff.
Accountant 2	\$240	Typically more than 1 year experience. Required to assist in day to day fieldwork under supervision of more senior staff.
Graduate / Undergraduate	\$200	Typically a university undergraduate or recent graduate with little or no professional experience. Required to assist in day-to-day field work under supervision of more senior staff.
Senior Professional Support	\$200	Typically 2 or more years experience, attending to all matters with respect to maintaining the Administration's bank accounts and bookkeeping, preparing and monitoring compliance of the Administration's lodgements.
Professional Support	\$140	Typically attends to data entry, simple document production, report compiling, filing. Assists Senior Professional Support with bookkeeping functions.

Notes:

1. the above figures are exclusive of GST;
2. the Guide to Staff Experience is only intended to be a guide as to the qualifications and experience of our staff members. Staff may be engaged under a classification that we consider appropriate for their experience;
3. time is recorded and charged in six-minute intervals;
4. rates are subject to increase from time to time;
5. work carried out by staff will be charged at their applicable rates irrespective of where the administration is geographically based;
6. the above rates are those chargeable by SV Partners in respect of our own employees. If it becomes necessary to engage the services of an interstate insolvency firm to carry out work on our behalf, we reserve the right to recover the rates charged by that practice, which may vary from the rates set out above.

The rates set out above are SV Partners ordinary charge for time and assume that there is a real prospect of the time costs incurred (at those rates) being paid and within a reasonable time span (within 2 to 3 months). Where that assumption does not hold true, that is, there is either:

- a risk to the collectability of the time costs being incurred; and/or
- there is an expectation that the time costs will need to be carried for a period in excess of a reasonable time span (greater than 3 months);

then, subject to the approval of a committee of creditors, a meeting of creditors or the Court, SV Partners reserve the right to seek recovery of their time at a rate in excess of the ordinary rates (set out above) to reflect that additional risk or time delay in recovery.

Classification	Disbursements	Charges
Internal	Photocopying	\$0.65 per copy
	Printing	\$0.65 per copy
	Postage	Australia Post rates
	Storage	\$49 per box
	Searches, Couriers and Advertising	At Cost
External	Professional services (non-insolvency) for specific tasks that are properly incurred by independent consultants	At a reasonable cost
	Non-professional services incurred with a third party in relation to work required	At a reasonable cost



ANNEXURE F

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FORM 535

Subregulation 5.6.49(2)
Corporations Act 2001 (Cth)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)
VIVID TECHNOLOGY LIMITED
(TRADING AS "GREENEARTH POWER", "GREENEARTH RENEWEABLE ENERGY", "NEWCO2FUELS",
"NEWCO2" AND "VIVID TECHNOLOGY GROUP")
(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)
A.C.N 120 710 625 (THE COMPANY)

To the Administrators

1. This is to state that the Company was on 17 July 2019, and still is, justly and truly indebted to:

Creditor Name	
Creditor Postal Address	
Telephone	
Email:	
ABN (N/A, if not required)	
FOR \$Amount owing (Dollars & Cents)	\$

Particulars of the debt are:

Date	Consideration (state how the debt arose and attach supporting documentation)	Amount (\$)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following:

Date	Drawer	Acceptor	Amount (\$)	Due Date

3. Signed by (select option):

- ☐ I am the creditor personally.
- ☐ I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- ☐ I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

If being used for the purpose of voting at a meeting:

- a) Is the debt you are claiming assigned to you (i.e. a transfer of debt)? ☐ No ☐ Yes
- b) If yes, attach written evidence of the debt, the assignment and consideration given. ☐ Attached
- c) If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$ _____
- d) If yes, are you a related party creditor of the Company? ☐ No ☐ Yes

Signature: _____

Dated: _____

Name: _____

Occupation: _____

RECEIVE REPORTS BY EMAIL

Do you wish to receive all future reports and correspondence from our office via email?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Email: _____

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ANNEXURE G

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Corporations Act 2001 (Cth)

APPOINTMENT OF PROXY
VIVID TECHNOLOGY LIMITED
(TRADING AS "GREENEARTH POWER", "GREENEARTH RENEWEABLE ENERGY",
"NEWCO2FUELS", "NEWCO2"
AND "VIVID TECHNOLOGY GROUP")
(RECEIVERS AND MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED)
A.C.N 120 710 625 (the Company)

Name of company or individual:	Date:
Address:	
Email:	Telephone:

APPOINTMENT OF PROXY:
☐

The Presiding Person of the meeting

OR, if you are not appointing the Presiding Person of the meeting as your proxy, please write the name of the person you are appointing as your proxy

as my/our **general proxy/special proxy** (please cross off whichever does not apply), and to vote for me/us on my/our behalf at the Adjourned Second Meeting of Creditors to be held at SV Partners, Level 17, 200 Queen Street, Melbourne, Victoria 3000 on Friday, 18 October 2019 at 10:00am. For a **special proxy** tick either For, Against or Abstain for each resolution detailed below.

VOTING DIRECTIONS (if appointing a special proxy):

	Resolution	For	Against	Abstain
1.	Remuneration: 22 August 2019 to 9 October 2019 (Voluntary Administration) <i>"That the remuneration of the Joint and Several Administrators, Peter Gountzos and Richard Cauchi, and their directors and staff for the period 22 August 2019 to 9 October 2019, calculated at the hourly rates effective as at 1 July 2019, as detailed in the report to creditors of 11 October 2019, be fixed in the amount of \$35,933.00 plus GST and the Joint and Several Administrators can draw the remuneration immediately or as required."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Remuneration: 10 October 2019 to 18 October 2019 (Voluntary Administration) <i>"That the future remuneration of the Joint and Several Administrators, Peter Gountzos and Richard Cauchi from 10 October 2019 to 18 October 2019 is determined at a sum equal to the costs of time spent by the Joint and Several Administrators, their directors and staff, calculated at the hourly rates effective as at 1 July 2019, as detailed in the report to creditors of 11 October 2019 up to a capped amount of \$20,000, plus GST and the Joint and Several Administrators can draw the remuneration on a monthly basis or as required."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	Resolution	For	Against	Abstain
3.	Internal Disbursements: 22 August 2019 to 9 October 2019 (Voluntary Administration) <i>"That the internal (non-professional) disbursement costs as detailed in the report to creditors dated 11 October 2019 incurred by the Joint and Several Administrators, Peter Gountzos and Richard Cauchi, their directors and staff for the period 22 August 2019 to 9 October 2019 to be fixed in the amount of \$37.77, plus GST."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Internal Disbursements: 10 October 2019 to 18 October 2019 (Voluntary Administration) <i>"That the internal (non-professional) disbursement costs as detailed in the report to creditors of 14 August 2019 anticipated to be incurred by the Joint and Several Administrators, Peter Gountzos and Richard Cauchi, their directors and staff for the period 10 October 2019 to 18 October 2019 to be capped in the amount of \$2,000, plus GST."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	<i>"That the company execute a Deed of Company Arrangement"</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	<i>"That the Administration end"</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	<i>"That the Company be wound up"</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	To appoint an alternate Liquidator(s) <i>"Appoint another person as Liquidator of the Company other than Peter Gountzos and Richard Cauchi, if another person is nominated."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Approval of Fixed Remuneration for the Purpose of ASIC FM Levy (Liquidation only) <i>"That the remuneration of the Joint and Several Liquidators, Peter Gountzos and Richard Cauchi, be approved in a fixed fee basis, capped in the sum of \$750.00 plus GST, for the purpose of meeting the ASIC Funding Model levy and the Joint and Several Liquidators can draw the remuneration immediately or as required."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Remuneration: First Year of Liquidation – 19 October 2019 to 18 October 2020 (Liquidation) <i>"That the remuneration of the Joint and Several Liquidators, Peter Gountzos and Richard Cauchi for the period 19 October 2019 to 18 October 2020 is determined at a sum equal to the costs of time spent by the Joint and Several Liquidators, their directors and staff, calculated at the hourly rates effective as at 1 July 2019 (which may be increased at a rate of up to 6% at 1 July each year), as detailed in the report to creditors dated 11 October 2019 up to a capped amount of \$100,000, plus GST and the Joint and Several Liquidator can draw the remuneration on a monthly basis or as required."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	Resolution	For	Against	Abstain
11.	Internal Disbursements: 19 October 2019 to 18 October 2020 (Liquidation) <i>"That the internal (non-professional) disbursement costs as detailed in the report to creditors dated 11 October 2019 anticipated to be incurred by the Joint and Several Liquidators, Peter Gountzos and Richard Cauchi, their directors and staff for the period 19 October 2019 to 18 October 2020 to be capped in the amount of \$1,500, plus GST."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Appoint a Committee of Inspection <i>"That _____ be nominated as member of the Committee of Inspection and that a Committee of Inspection be appointed."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	Early destruction of the books and records of the Company <i>"To authorise the Liquidators to destroy, at their discretion, the books and records of the Company and of the Liquidators within six months after dissolution of the Company, subject to obtaining prior approval from the Australian Securities & Investments Commission."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGNATURE OF CREDITOR/S:

Individual/agent	Individual/agent
------------------	------------------

INSTRUCTIONS FOR COMPLETING THIS FORM:

APPOINTMENT OF PROXY: A proxy may be an individual or a corporate body representative. The proxy does not need to be a creditor of the company.

If a corporate body is sending a representative, a 'Certificate of Appointment of Corporate Representative', in accordance with the company's register, will be required. The certificate will need to be produced prior to the meeting or in accordance with the notice of the meeting.

SIGNATURE: This form must be signed by the creditor or the creditor's attorney. If the latter is signing, a certified copy of the power of attorney must be attached unless it has previously been lodged.

Where the creditor is a company, this form must be completed under the company's Common Seal, or signed by officers authorised under the Seal of the Company. Two officers must sign, except in the case of a sole director who is also the secretary or where there is a sole director and there is no company secretary.

Where the creditor is a joint holding, either one of the creditors may sign.

