

Circular to Creditors

22 January 2019

Dear Sir/Madam

Actco-Pickering Metal Industries Pty Ltd (in Liquidation)
ACN 090 585 434 ('the Company')
Formerly trading as Ridgeback Service Bodies and Trade Service Body

We refer to our Circular and Report to Creditors dated 14 January 2019.

We confirm that at the second meeting of creditors duly convened and held on 21 January 2019 at KordaMentha, Rialto Tower South, Level 31, 525 Collins Street, Melbourne VIC 3000, it was resolved pursuant to Section 439C(c) of the Corporations Act 2001 ('the Act') that the Company be wound up.

Please note that creditors did not nominate a person to be appointed as Liquidator and accordingly, Craig Shepard and Bryan Webster are the duly appointed Liquidators of the Company pursuant to Section 499 of the Act.

Explanation of a creditors' voluntary liquidation

A creditors' voluntary liquidation is a liquidation initiated by the company where it is unable to pay all of its creditors in full. Usually this means that the company is insolvent.

All creditors of the Company are now creditors in the liquidation. As a creditor, you have certain rights, although your debt will be dealt with in the liquidation process.

Your rights as a creditor

Information regarding your rights as a creditor is provided in the information sheet included at Appendix 1. This includes your right to:

- Make reasonable requests for a meeting.
- Make reasonable requests for information.
- Give directions to us.
- Appoint a reviewing liquidator.
- Replace us as liquidator.

In a creditor's voluntary liquidation, creditors have an additional right to request a meeting in the first 20 business days of the liquidation. If we receive a request for a meeting from at least 5% of known creditors that are not a related entity of the Company, we are required to hold a meeting, as long as the request is reasonable. The details of whether a request is reasonable or not is included in the attached information sheet on creditors' rights.

Update on the liquidation

During the course of the liquidation, we will attend to the realisation of the Company's assets. Please note that any return to creditors of the Company will be dependent on asset realisations in the liquidation and will be subject to the priorities set out under the Corporations Act 2001 ('the Corporations Act').

We will also carry out investigations into the affairs of the Company and submit a report to the Australian Securities and Investments Commission ('ASIC') pursuant to Section 533 of the Corporations Act within six months after anything pursuant to that section appears to us. Should creditors be aware of any matters which should be brought to the attention of the Liquidators, we would appreciate if that information could be forwarded to us.

If we receive a reasonable request for a meeting that complies with the guidelines set out the creditor rights information sheet, we will hold a meeting of creditors.

Whether a meeting is held or not, we will write to you within three months of our appointment advising whether a dividend is likely and update you on the progress of our investigations. We may write to you again after that with further information on the progress of the liquidation.

Ongoing trading

We note that the Company's operations were suspended from trading on 5 December 2018 and ceased to trade on 21 December 2018. We will not be restarting the operations. Any orders placed with you by the Company prior to our appointment which have not yet been completed, should not be completed.

We expressly advise that we have not adopted any contracts or liabilities of the Company in existence as at the date of appointment unless we have formally notified you in writing that we have adopted a specific contract or liability. Payment for use of any goods or services is not an adoption of a contract or liability.

Personal property security interests and retention of title claims

If you are claiming title to any goods delivered to the Company pursuant to a contract or the Personal Property Securities Act or any lien over goods in your possession which are the property of the Company, details of your claim should be forwarded to our office urgently.

Liquidators' remuneration and disbursements

Enclosed at Appendix 2 is our Initial Remuneration Notice for the liquidation period. This document provides you with information about how we will be remunerated for undertaking the liquidation and how disbursements may be calculated and incurred.

At the Second Meetings of Creditors, the Liquidators' remuneration was approved as set out in the Administrators' Report to Creditors dated 14 January 2019.

We may write and ask that you approve our remuneration for the work that we do in completing the liquidation and internal disbursements incurred. If we do, we will provide you with detailed information

so that you can understand what tasks we have undertaken and the costs of those tasks. It will also explain what the internal disbursements were for and how they were calculated.

Further information available to creditors

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding liquidations and insolvency. This information is available from ARITA's website at www.arita.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at www.asic.gov.au/insolvencyinfosheets.

The privacy of your information

KordaMentha may collect personal information either from you, the Company or otherwise in connection with the amount owed to you by the Company. KordaMentha takes all reasonable steps to protect the personal information it holds about you from misuse and loss and from unauthorised access, modification or disclosure. From time to time, we may need to disclose personal information regarding you to a third party, such as a regulatory body. Except for certain disclosures required by the Corporations Act, such disclosures will be made on a confidential basis and, where possible, will require the third party to comply with appropriate privacy obligations.

If you would like to access or change the personal information KordaMentha holds about you, you can contact the contact person detailed in this letter at KordaMentha and request the relevant change or access. To action any change or access request, KordaMentha will need to verify your identity and comply with its other procedures which are in place to prevent unauthorised access to personal information. If you have a complaint in relation to the privacy of your information, please contact privacy@kordamentha.com. The privacy policy can be found on the KordaMentha website.

Other information

Finally, we enclose a Formal Proof of Debt or Claim Form at Appendix 3 for your completion and return to this office to the extent you have not already submitted this during the voluntary administration or wish to amend your claim in respect of amounts owed to you by the Company.

If you have any queries, please contact Paula Joseph of this office on (03) 8623 3349 or by email at pjoseph@kordamentha.com.

Yours faithfully



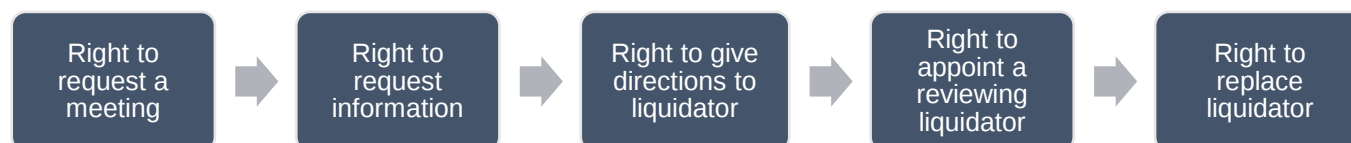
Bryan Webster
Liquidator

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Appendix 1

Creditor Rights in Liquidations

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



Right to request a meeting

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

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

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

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

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

Right to request information

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

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

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

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

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

Meeting requests only:

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

Information requests only:

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

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

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

Right to give directions to liquidator

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

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

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

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

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

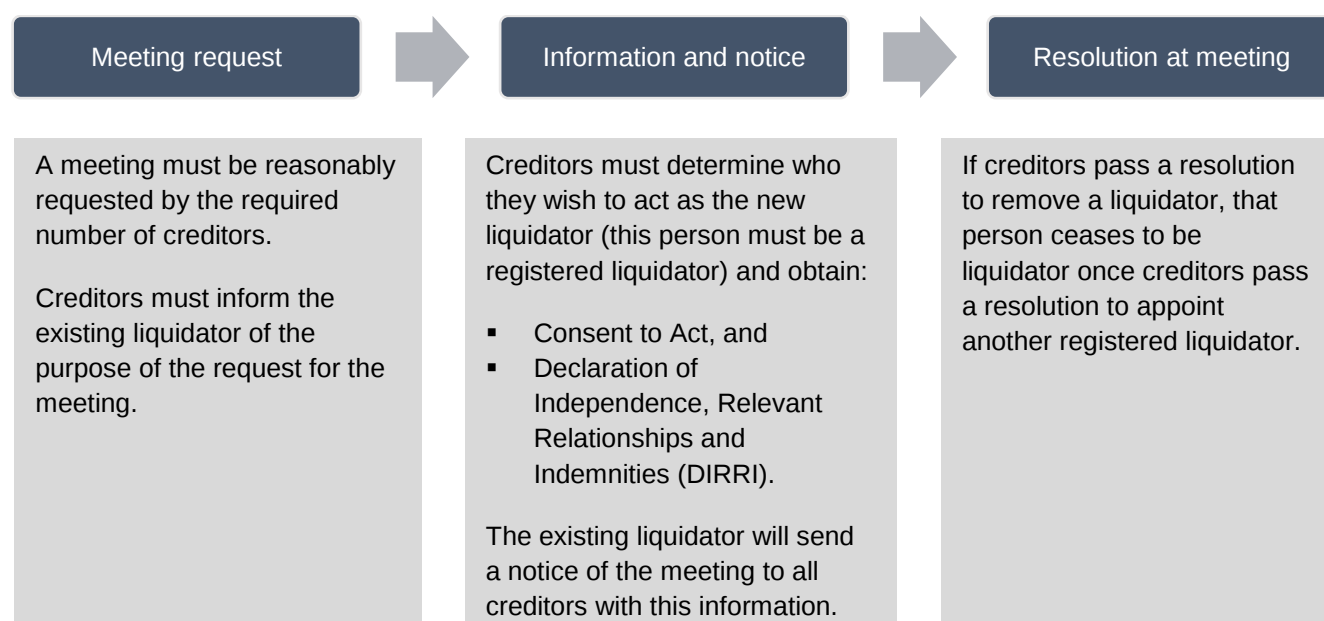
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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

Right to replace liquidator

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

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



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

Appendix 2

Corporations Act 2001

Initial Remuneration Notice

Actco-Pickering Metal Industries Pty Ltd (in Liquidation)
ACN 090 585 434 ('the Company')
Formerly trading as Ridgeback Service Bodies and Trade Service Body

The purpose of the Initial Remuneration Notice is to provide you with information about how our remuneration for undertaking the liquidation will be set and how disbursements may be calculated and incurred.

Remuneration methods

There are four basic methods that may be used to calculate the remuneration of an external administrator. They are:

1. Time based or hourly rates – This is the most common method. The total fee charged is based on the hourly rate charged for each staff member based on their level of experience and multiplied by the number of hours spent by each staff member on each of the tasks performed.
2. Fixed fee – The total fee charged is normally agreed to, and quoted, at the commencement of the administration and is based on the anticipated work through the term of the administration. At times, an insolvency practitioner will finalise an administration for a fixed fee.
3. Percentage – The total fee is based on a percentage rate of a particular variable, such as the gross proceeds of all assets recovered in an administration.
4. Contingency – the fee is structured to be contingent on a particular outcome being achieved.

Remuneration method chosen

Given the nature of this administration, remuneration will be calculated on the basis of an hourly rate charged for each person who carried out the work at the direction of the liquidator multiplied by the number of hours spent by each person on each of the tasks performed as it fairly reflects the necessary work performed and overcomes the difficulty in identifying the scope of the work required, particularly on longer term engagements. It also ensures that creditors are only charged for work that is performed. This method is also chosen as there are a number of tasks that are required to be performed but do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to the Australian Securities and Investments Commission, distributing funds to creditors.

Explanation of the KordaMentha rates

The current rates for our remuneration calculation are set out in the attached appendix together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. These rates are multiplied by the time spent by the applicable staff member in completing tasks relating to the administration as recorded in our time reporting system. The basis of our time reporting system is one of six minute time increments. This allows us to produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the administration. This method provides full accountability to creditors in the method of calculation.

The KordaMentha rates are subject to review and adjustment at 1 July each year to reflect changes in the cost base of the firm and changes in market conditions and rates for comparable insolvency firms. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Estimate of total remuneration

Based on the information we have at this stage of the external administration, we estimate that this administration will cost approximately \$125,000 (excluding GST), funds permitting. The total cost of the administration will vary depending on the complexity and demands of the administration and the work required to be performed by the Liquidators and our staff in respect of issues arising from the administration. Any delays in the administration could also cause the estimate to vary. These variables may have a significant effect on this estimate, however, we are unable to determine at this stage of the administration what the effect may be.

At the second meeting of creditors during the voluntary administration, we provided an estimate of the cost of the administration. The estimate above is consistent with the estimate provided at that meeting and approved by creditors.

We have not received an upfront payment or indemnity.

Please note that if the total remuneration claimed is less than the statutory minimum pursuant to Section 60-15 of Schedule 2 (Insolvency Practice Schedule) of the Corporations Act 2001 (Cth) ('the IPS'), being \$5,000 (exclusive of GST), creditor approval will not be required pursuant to Subsection 60-5(2) of the IPS.

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

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

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors approved our internal disbursements at the second meeting of creditors for the period of the liquidation.

Details of the basis of recovering disbursements are included in the schedule titled KordaMentha Rates – National – FY19, which is enclosed at Appendix A

Dated: 22 January 2019



Bryan Webster
Liquidator

Appendix A - KordaMentha Rates – National – FY19

KordaMentha rates

National

Applicable from 1 July 2018

FY 2019

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

**Exclusive of GST*

KordaMentha disbursement policy

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

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

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

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

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

GST is applied to disbursements as required by law.

KordaMentha disbursement internal rates and allowances

Description	Charge*
Photocopying, printing (general)	\$0.06 per page
Envelopes and postage (varies due to size and weight)	\$1.45 to \$2.40 per envelope
Travel Reimbursement	\$0.60 per kilometre
Meal per diem, etc.	Up to \$92.70 per day per staff member (unless other arrangements made)
Dataroom fee (varies based on MB size)	See detail below

*Exclusive of GST, reviewed annually on 1 July

Dataroom fee – Size (MB)	Charge per month*
0–300	\$1,000
300–1000	\$1,000 + \$2.50/MB
1000–5000	\$2,750 + \$1.25/MB
5000+	\$7,750 + \$0.60/MB

*Exclusive of GST, reviewed annually on 1 July

KordaMentha classifications

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

Appendix 3

Form 535

Corporations Act 2001

Actco-Pickering Metal Industries Pty Ltd (in Liquidation)
ACN 090 585 434 ('the Company')

Formal proof of debt or claim (General form)

To: The Liquidators of Actco-Pickering Metal Industries Pty Ltd (in Liquidation) ('the Company')

1. This is to state that the Company was on 5 December 2018, and still is, justly and truly indebted:

To _____
(name of creditor)

Of _____
(address of creditor)

For _____
(amount owed to creditor)

And _____ cents (GST inclusive) GST Amount _____

Particulars of the debt are:

Date	Consideration	Amount (\$)	Remarks
(insert date when debt arose)	(state how the debt arose and attach supporting invoices and statements of account)	(GST amount)	(include details of voucher substantiating payment)

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: (insert particulars of all securities held. If the securities are on the property of the Company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount (\$ ¢)	Due date
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3. This proof of debt may be used for the purposes of voting at any meeting, a proposal without a meeting or for distribution to creditors unless a further proof of debt is submitted by me.

- ☐ 4. 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. (select if applicable)
- ☐ 5. I am the creditor's agent authorised in writing to make this statement in writing. 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. (select if applicable)

Dated _____

Signature _____

Name _____

Address _____

Phone _____

- ☐ I nominate to receive electronic notification of notices or documents in accordance with Section 600G of the Corporations Act at the following email address or fax number:

Email address _____

Fax number _____