

Initial information for creditors

Ichor Constructions Pty Ltd (Administrators Appointed)
ACN 098 984 082 and
Ichor Group Holdings Pty Ltd (Administrators Appointed)
ACN 605 988 592 (“the Companies”)

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

Notification of appointment

Christian Sprowles and Michael Hogan were appointed voluntary administrators of the Companies by a resolution of the Companies' directors on 3 October 2018.

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

Current projects

We are currently reviewing the Companies' affairs, financial position and various projects. In the interim all works on the various building sites have been temporarily suspended until further notice.

It is our intention to meet with the Companies' clients on an urgent basis to determine a mechanism for works to recommence. We will endeavour to keep creditors informed of our developments in this regard.

What is a voluntary administration?

A voluntary administration (“VA”), is a process initiated by the director of a Company when they believe that the Company is, or is likely to become, insolvent. This means that the Companies is unable to pay its debts or is likely to become unable to pay its debts.

A voluntary administration gives a Company an opportunity to consider its financial position and its future. Creditors will be given an opportunity to vote on the future of the Companies.

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

What happens to your debt?

All creditors of the Companies are now creditors in the voluntary administration. As a creditor, you have certain rights, although your debt will be dealt with in the voluntary administration.

It is important to note that a voluntary administration creates restrictions on creditors being able to enforce their rights. You generally cannot enforce your claim, recover your property, enforce your security, commence an action to place the Companies into liquidation or act on a personal guarantee.

If you have leased the Companies' property, have a retention of title claim or hold a Personal Property Security in relation to the Companies, please contact Luke Mann on (02) 8020 5862 or at lmann@hogansprowles.com.au as soon as possible.

Your rights as a creditor

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

- make reasonable requests for information
- give directions to me
- appoint a reviewing liquidator
- to replace me as voluntary administrator.

Meetings of creditors

As voluntary administrators, we are required to hold two meetings of creditors.

First meeting of creditors

The first meeting of creditors will be held as follows:

Date: 15 October 2018
Time: 11:00am
Address: Karstens, 111 Harrington Street, Sydney NSW 2000

Further meeting information, including notice of meeting are in **Annexure C**. To participate in this meeting, you may need to:

- Submit a **proof of debt** and information to substantiate your claim.
- Appoint a person – a “**proxy**” or person authorised under a power of attorney – to vote on your behalf at the meeting. This may be necessary if you are unable to attend the meeting, or if the creditor is a Companies.

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

Proof of debt and proxy forms are included with the notice of meeting. To facilitate the conduct of the meeting, completed proof of debt and, if applicable, proxy forms must be returned to our office by post, fax or email by 4:00pm on 12 October 2018.

Committee of Inspection

At this meeting, creditors will consider whether a Committee of Inspection (“COI”) should be appointed. The role of a COI is to consult with the voluntary administrators and receive reports on the conduct of the administration. A creditors’ committee can also approve the administrator’s fees. It is our opinion a COI would be appropriate given the large number of creditors and the complexity of the engagement.

Second meeting of creditors

We will also in due course call a second meeting of creditors. Before that meeting you will be sent the notice of meeting and a detailed report which sets out the options for the Companies’ future. We will provide our opinion as to what option we think is in the best interests of creditors. At that second meeting, creditors will decide about the future of the Companies.

You are encouraged to attend these meetings and participate in the voluntary administration process.

What happens next with the Voluntary Administration?

We will proceed with the voluntary administration, including, but not limited to:

- trading the business;
- preparing for and holding the meetings of creditors;
- undertaking investigations into the Companies’ affairs;
- analysing any offer for a Deed of Companies’ Arrangement that is received; and
- preparing our report to creditors.

As discussed above, you will receive further correspondence from us before the second meeting of creditors.

Costs of the voluntary administration

Included at **Annexure E** is our Initial Remuneration Notice. This document provides you with information about how we proposed to be paid for undertaking the voluntary administration.

We will seek your approval of our remuneration at the second meeting of creditors. We will provide you with detailed information regarding our remuneration before that meeting so that you can understand what tasks we have undertaken or will be required to undertake, and the costs of those tasks.

Where can you get more information?

The Australian Restructuring Insolvency and Turnaround Association (“ARITA”) provides information to assist creditors with understanding voluntary administrations 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 (search for "insolvency information sheets").

What you should do next

You should now:

- read the attached information;
- decide whether you are going to attend the first meeting; and
- complete and return your proof of debt, and if required, proxy form by 12 October 2018.

If you wish to receive future correspondence via email, you will need to complete and return the enclosed Email Authorisation form (**Annexure F**) to lmann@hogansprowles.com.au.

You can contact our office and speak with Luke Mann on (02) 8020 5862 or via email on lmann@hogansprowles.com.au. There is also information about this voluntary administration on our website: www.hogansprowles.com.au.

Dated: 4th October 2018

Ichor Constructions Pty Ltd
Ichor Group Holdings Pty Ltd



Christian Sprowles
Joint and Several Administrator

Attachments

Annexure A	Declaration of Independence, Relevant Relationships and Indemnities
Annexure B	Information Sheet - Creditor Rights in Voluntary Administration
Annexure C	Notice of meeting and other meeting information
Annexure D	Information Sheet: Committee of Inspection
Annexure E	Initial Remuneration Notice
Annexure F	Email Authority Form

Declaration of Independence, Relevant Relationships and Indemnities

Ichor Constructions Pty Ltd (Administrators Appointed)
ACN 098 984 082 and
Ichor Group Holdings Pty Ltd (Administrators Appointed)
ACN 605 988 592 ("the Companies")

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

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

This declaration is made in respect of myself, my partners and HoganSprowles.

A. Independence

We, Christian Sprowles and Michael Hogan of HoganSprowles have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint & Several Administrators of Ichor Constructions Pty Ltd and Ichor Group Holdings Pty Ltd in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of Relationships

i Circumstances of appointment

This appointment was referred to Christian Sprowles by Gerard Satur of MST Financial. The reason we believe this referral does not result in the Administrators having a conflict of interest or duty are:

- Referral from business advisors including lawyers, accountants, bankers and advisors are common place and do not impact on our independence in carrying out our duties as Administrators of the Company;
- This is the first insolvency referral from this source, the fees from which are not a significant percentage of our business and accordingly, we are by no means dependent on referrals from this source.

On 19 September 2018, Christian Sprowles met with Mr Con Filis, a director of the Companies, to explain the voluntary administration and deed of company arrangement processes. This was the first time we had met Mr Filis.

We did not receive any remuneration for the above.

On 28 September 2018 Christian Sprowles was contacted by telephone by Mr Filis to provide a consent to act, which was provided on that day.

On 2 October 2018 Christian Sprowles met with George Kandylas, a shareholder of Ichor Group Holdings Pty Ltd, to explain the role of voluntary administrators.

On 3 October 2018 the Companies two directors, Mr Filis and Mr Paul Stamatelotos attended our office to hold a meeting of directors to appoint voluntary administrators. This was the first time we had met Mr Stamatelotos.

In our opinion these conversations do not affect our independence for the following reasons:

- The ARITA (formerly IPA) Code of Professional Practice and the Courts recognises the need for practitioners to provide advice on the insolvency process and the options available and we do not consider that such advice results in a conflict or is an impediment to accepting the appointment; and
- The nature of the advice provided to the Companies is such that it would not be subject to review and challenge during the Administration; and
- The nature of the pre-appointment advice provided to the Companies will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the Administration of the Companies in an objective and impartial manner.

We have provided no other information or advice to the Companies or its Director/s prior to our appointment beyond that outlined in this DIRRI.

We have never met or had any discussions with the director or shareholders of the Companies outside that disclosed in this DIRRI.

ii Relevant Relationships (excluding Professional Services to the Insolvent)

We, nor our firm, have, or have had within the preceding 24 months, any relationships with the Companies, an associate of the Companies, a former insolvency practitioner appointed to the Companies or any person or entity that has security over on the whole or substantially whole of the Companies property.

There are no other prior professional or personal relationships that should be disclosed.

iii Prior Professional Services to the Insolvent

We, nor our Firm, have provided any professional services to the Companies in the previous 24 months.

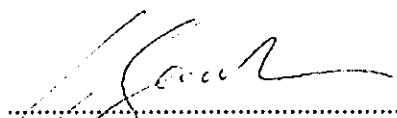
iv No other relevant relationships to disclose

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

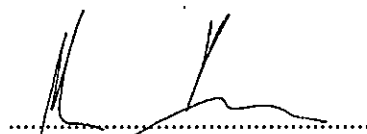
C. Indemnities and up-front payments

We have not been indemnified in relation to this liquidation, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated: 4 October 2018



Christian Sprowles
Joint & Several Administrator



Michael Hogan
Joint and Several Administrator

NOTE:

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

Creditor Rights in 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.

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.

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

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

Ichor Constructions Pty Ltd (Administrators Appointed)
ACN 098 984 082

Name of creditor:

Address of creditor:
.....

ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$.....)

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

.....
.....
.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....
.....
.....

Other information:

.....
.....

Signature of Creditor
(or person authorised by creditor)

Dated

Notes:

Under the Insolvency Practice Rules (Corporations) (IPR) 75-85, a creditor is not entitled to vote at a meeting unless:

- a. his or her claim has been admitted, wholly or in part, by the Joint and Several Administrators; or
b. he or she has lodged with the Joint and Several Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security (IPR 75-87).

Proxies must be made available to the Joint and Several Administrators.

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

Ichor Group Holdings Pty Ltd (Administrators Appointed)
ACN 605 988 592

Name of creditor:

Address of creditor:
.....

ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

.....
.....
.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....
.....
.....

Other information:

.....
.....

Signature of Creditor
(or person authorised by creditor)

Dated

Notes:

Under the Insolvency Practice Rules (Corporations) (IPR) 75-85, a creditor is not entitled to vote at a meeting unless:

- a. his or her claim has been admitted, wholly or in part, by the Joint and Several Administrators; or
b. he or she has lodged with the Joint and Several Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security (IPR 75-87).

Proxies must be made available to the Joint and Several Administrators.

CORPORATIONS ACT 2001

Section 436E

Section 436E

Insolvency Practice Rules (Corporations)

75-10, 75-15, 75-20, 75-35

**NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION
ICHOR CONSTRUCTIONS PTY LTD (ADMINISTRATORS APPOINTED)
("THE COMPANY")**

1. On 3 October 2018 the Company under section 436A appointed Christian Sprowles and Michael Hogan of HoganSprowles, Level 9, 60 Pitt Street, SYDNEY NSW 2000 as the Joint and Several Administrators of the Company.
2. Notice is now given that a meeting of the creditors of the Company will be held at Karstens, 111 Harrington Street, Sydney NSW 2000 on 15 October 2018 at 11:00am.
3. The purpose of the meeting is to determine:
 - a. whether to appoint a committee of inspection; and
 - b. if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - a. remove the Joint and Several Administrators from office; and
 - b. appoint someone else as Administrator of the Company.
5. Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney*. The appointment of a proxy must be in the approved form.

A special proxy can be lodged showing approval or rejection of each resolution. Proxy forms must be given to us as Joint and Several Administrators or the person named as convening the meeting. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Telephone conference facilities will be available at the meeting. The telephone number to call is (02) 8077 0507 and access code 939227. Please note under Insolvency Practice Rules (Corporations) (IPR) Section 75-35 if you wish to participate in the meeting using such facilities you must give to the convener not later than 4:00pm, 12 October 2018:

- (a) A written statement setting out:
 - (i) the name of the person and of the proxy or attorney (if any); and
 - (ii) an address to which notices to the person, proxy or attorney may be sent; and
 - (iii) a method by which the person, proxy or attorney may be contacted for the purposes of the meeting.

DATED this 4th day of October 2018.

Ichor Constructions Pty Ltd


Christian Spowles
Joint and Several Administrator

HoganSpowles
Level 9,
60 Pitt Street
SYDNEY NSW 2000

Telephone: (02) 8020 5850

***Voting at a Meeting the effect of Insolvency Practice Rules (Corporations) 75-85:**

Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

CORPORATIONS ACT 2001
Section 436E

Section 436E
Insolvency Practice Rules (Corporations)
75-10, 75-15, 75-20, 75-35

**NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION
ICHOR GROUP HOLDINGS PTY LTD (ADMINISTRATORS APPOINTED)
("THE COMPANY")**

1. On 3 October 2018 the Company under section 436A appointed Christian Sprowles and Michael Hogan of HoganSprowles, Level 9, 60 Pitt Street, SYDNEY NSW 2000 as the Joint and Several Administrators of the Company.
2. Notice is now given that a meeting of the creditors of the Company will be held at Karstens, 111 Harrington Street, Sydney NSW 2000 on 15 October 2018 at 11:00am.
3. The purpose of the meeting is to determine:
 - a. whether to appoint a committee of inspection; and
 - b. if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - a. remove the Joint and Several Administrators from office; and
 - b. appoint someone else as Administrator of the Company.
5. Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney*. The appointment of a proxy must be in the approved form.

A special proxy can be lodged showing approval or rejection of each resolution. Proxy forms must be given to us as Joint and Several Administrators or the person named as convening the meeting. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Telephone conference facilities will be available at the meeting. The telephone number to call is (02) 8077 0507 and access code 939227. Please note under Insolvency Practice Rules (Corporations) (IPR) Section 75-35 if you wish to participate in the meeting using such facilities you must give to the convener not later than 4:00pm, 12 October 2018:

- (a) A written statement setting out:
 - (i) the name of the person and of the proxy or attorney (if any); and
 - (ii) an address to which notices to the person, proxy or attorney may be sent; and
 - (iii) a method by which the person, proxy or attorney may be contacted for the purposes of the meeting.

DATED this 4th day of October 2018.

Ichor Group Holdings Pty Ltd


Christian Spowles
Joint and Several Administrator

HoganSpowles
Level 9,
60 Pitt Street
SYDNEY NSW 2000
Telephone: (02) 8020 5850

***Voting at a Meeting the effect of Insolvency Practice Rules (Corporations) 75-85:**

Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

**APPOINTMENT OF PROXY
 CREDITORS MEETING**

**Ichor Constructions Pty Ltd
 (Administrators Appointed)
 ACN 098 984 082 ("the Company")**

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on 15 October 2018, or at any adjournment of that meeting.	

Please mark any boxes with an

Proxy Type: General Special

DATED this _____ day of _____ 2018.

 Signature

Name:

Position:

Address:

Contact Number:

Email:

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
 certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.

**APPOINTMENT OF PROXY
 CREDITORS MEETING**

**Ichor Group Holdings Pty Ltd
 (Administrators Appointed)
 ACN 605 988 592 ("the Company")**

*/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on 15 October 2018, or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

DATED this day of 2018.

 Signature

Name:
 Position:
 Address:
 Contact Number:
 Email:

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
 certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:
 Description:
 Place of Residence:

* Strike out if inapplicable
 (1) If a firm, strike out "I" and set out the full name of the firm.
 (2) Insert the name, address and description of the person appointed.



Information Sheet: Committees of Inspection

You have been elected to be, or are considering standing for the role of, a member of a Committee of Inspection (COI) in either a liquidation, voluntary administration or deed of company arrangement of a company (collectively referred to as an external administration).

This information sheet is to assist you with understanding your rights and responsibilities as a member of a COI.

What is a COI?

A COI is a small group of creditors elected to represent the interests of creditors in the external administration. The COI advises and assists the external administrator and also has the power to approve and request certain things – this is discussed in more detail below.

Membership of the COI is a voluntary, unpaid position.

Who can be elected to a COI?

To be eligible to be appointed as a member of a COI, a person must be:

- A creditor
- A person holding the power of attorney of a creditor
- A person authorised in writing by a creditor; or
- A representative of the Commonwealth where a claim for financial assistance has, or is likely to be, made in relation to unpaid employee entitlements.

If a member of the COI is a company, it can be represented by an individual authorised in writing to act on that creditor's behalf. It also allows the creditor to maintain its representation if a change in the individual is required

A COI usually has between 5 and 7 members, though it can have more, or less, depending on the size of the external administration.

A member of a COI can be appointed by:

- resolution at a meeting of creditors
- an employee or a group of employees owed at least 50% of the entitlements owed to employees of the company
- a large creditor or group of creditors that are owed at least 10% of the value of the creditors' claims,

If an employee or group of employees, or a large creditor or group of creditors, appoints a member to the COI, they cannot vote on the general resolution of creditors to appoint members to the COI. Each of these groups also have the power to remove their appointed member of the COI and appoint someone else.

If you are absent from 5 consecutive meetings of the COI without leave of the COI or you become an insolvent under administration, you are removed from the COI.

What are the roles and powers of a COI?

A COI has the following roles:

- to advise and assist the liquidator, voluntary administrator or deed administrator (collectively referred to as the external administrator)
- to give directions to the external administrator
- to monitor the conduct of the external administration.

In respect of directions, the external administrator is only required to have regard to those directions. If there is a conflict between the directions of the COI and the creditors, the directions of the creditors prevail. If the external administrator chooses not to comply with the directions of the COI, the external administrator must document why.

A COI also has the power to:

- approve remuneration of the external administrator after the external administrator has provided the COI with a Remuneration Approval Report (a detailed report setting out the remuneration for undertaking the external administration)
- approve the use of some of the external administrator's powers in a liquidation (compromise of debts over \$100,000 and entering into contracts over 3 months)
- require the external administrator to convene a meeting of the company's creditors
- request information from the external administrator
- approve the destruction of the books and records of the external administration on the conclusion of the external administration
- with the approval of the external administrator, obtain specialist advice or assistance in relation to the conduct of the external administration
- apply to the Court for the Court to enquire into the external administration.

An external administrator is not required to convene a meeting of creditors if the request by the COI is unreasonable, or provide requested information if the request is unreasonable, not relevant to the administration or would cause the external administrator to breach their duties.

A request to convene a meeting of creditors is unreasonable if:

- it would substantially prejudice the interests of a creditor or third party
- there are insufficient funds in the external administration to cover the cost of the request
- a meeting of creditors dealing with the same matters has already been held or will be held within 15 business days, or
- the request is vexatious.

If a request for a meeting is reasonable, the external administrator must hold a meeting of creditors as soon as reasonably practicable.

A request for information is unreasonable if:

- it would substantially prejudice the interests of a creditor or third party
- the information would be subject to legal professional privilege
- disclosure of the information would be a breach of confidence
- there are insufficient funds in the external administration to cover the cost of the request
- the information has already been provided or is required to be provided within 20 business days,
or
- the request is vexatious.

If the request for information is not unreasonable, the external administrator must provide the requested information within 5 business days, but the law provides for further time in certain circumstances.

An external administrator must inform the COI if their meeting or information request is not reasonable and the reason why.

How does the COI exercise its powers?

A COI exercises its powers by passing resolutions at meetings of the COI. To pass a resolution, a meeting must be convened and a majority of the members of the COI must be in attendance.

A meeting is convened by the external administrator by giving notice of the meeting to the members of the COI. Meetings of the COI can be convened at short notice.

The external administrator must keep minutes of the meeting and lodge them with ASIC within one month of the end of the meeting.

ASIC is entitled to attend any meeting of a COI.

What restrictions are there on COI members?

A member of a COI must not directly or indirectly derive any profit or advantage from the external administration. This includes by purchasing assets of the company or by entering into a transaction with the company or a creditor of the company. This prohibition extends to related entities of the member of the COI and a large creditor(s) that appoints a member to the COI.

Creditors, by resolution at a meeting of creditors, can resolve to allow the transaction. The member of the COI or the large creditor(s) that appoints a member to the COI is not allowed to vote on the resolution.

Where can you get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at www.arita.com.au/creditors.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at www.asic.gov.au (search "insolvency information sheets").

INITIAL REMUNERATION NOTICE

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

Ichor Constructions Pty Ltd (Administrators Appointed)
ACN 098 984 082
and
Ichor Group Holdings Pty Ltd (Administrators Appointed)
ACN 605 988 592 ("the Companies")

The purpose of the Initial Remuneration Notice is to provide you with information about how our remuneration for undertaking the Administration will be set.

A. Remuneration Methods

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

1. **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.
2. **Fixed Fee:** The total fee charged is normally quoted at the commencement of the Administration and is the total cost for the Administration.
3. **Percentage:** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
4. **Contingency:** The practitioner's fee is structured to be contingent on a particular outcome being achieved.

B. Method chosen

Given the nature of this Administration we propose that our remuneration will be calculated on a time based/hourly rates basis. The amount of work required and the recoveries from Companies assets are at this stage not known to us and accordingly the time based/hourly rates basis best allows us to accurately determine how much work has been completed in the Administration and remunerate accordingly.

We have chosen the time based/hourly rates method because:

- This method is considered to be the most suitable for this appointment as it ensures creditors are only charged for work that is performed in the Administration, which can be difficult to accurately estimate at the date of appointment.
- Even later than the date of appointment, it can be difficult to estimate the time that may be required in advance of the substantive work being undertaken. The time-based method in this case again ensures that creditors are only charged for work that is actually performed in the external administration.
- The practitioner is required to perform a number of tasks which do not relate to the realisation of assets, for example, reporting to the Australian Securities and Investments Commission ("ASIC"), undertaking investigations, responding to creditor enquiries and distributing funds to creditors.

- The practitioner has a time recording system that can produce a detailed analysis of the time spent on each type of task by each individual staff member in the Administration.
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed.

C. Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the attached table together with a general guide showing the qualifications and experience of staff engaged in the Administration and the role they take in the Administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage. Time is charged in six-minute increments.

D. Estimated remuneration

We estimate that this Administration of Ichor Constructions Pty Ltd will cost approximately \$150,000 to \$200,000 (GST exclusive) and estimate the Administration of Ichor Group Holdings Pty Ltd will cost approximately \$25,000 to complete, subject to the following variables which may have a significant effect on this estimate and that we are unable to determine until we have commenced the Administration:

- The time required to obtain the Companies books and records from the director and third parties;
- The recovery of the Companies assets (if any);
- Investigations required into the business affairs of the Companies and identify any assets or recoveries available to the Administrator; and
- Any matters identified that are required to be reported to statutory authorities, such as ASIC.

The Administrator's time costs are recoverable only against the assets realisations available.

E. Disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** such as travel, accommodation and search fees - these are recovered at cost.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the 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 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 where there may be a profit or advantage. Creditors will be asked to approve my internal disbursements where there is a profit or advantage prior to these disbursements being paid from the Administration.

Details of the basis of recovering disbursements in this Administration are provided below.

Basis of disbursement claim

Disbursement	Rate (Excl GST)
Externally provided professional services	At Cost
Externally provided non-professional services	At Cost
Internal disbursements:	
Advertising	At Cost
Search fees	At Cost
Courier	At Cost
Printing, Faxes & Photocopies	\$0.20 per page
Postage	At Cost
Stationary and other incidental disbursements	At Cost
Travel – Staff by own vehicle	\$0.66 per km
Travel – Other	At cost

Disbursements scale applicable for the financial year ended June 2019.

Queries

Creditors have the right to request and obtain further information from the Administrator.

Information sheet

Creditors may access the remuneration information sheet (ASIC Information Sheet 85 – Approving fees: a guide for creditors) at ASIC's website under Regulatory Resources.

<http://www.asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/approving-fees-a-guide-for-creditors/>

Dated this 4th day of October 2018.



Christian Spowles

Joint and Several Administrator



Schedule of rates as @ 1 July 2018

Private & Confidential

Title	Description	Hourly rate (Excl. GST) (\$)
Partner	Registered Administrator, Chartered Accountant, degree qualified with more than fifteen years of extensive experience in insolvency, restructuring and business advisory matters. experience. Leads engagements with full accountability for strategy and execution.	545
Director	Generally Chartered Accountant and degree qualified with more than ten years of experience. Extensive experience in managing large, complex engagements at a senior level. Autonomously leads complex insolvency appointments reporting to Partner.	490
Senior Manager	Generally Chartered Accountant and degree qualified with more than seven years of experience. Significant experience across all types of engagements. Self-sufficiently conducts small to medium insolvency appointments.	429
Manager	Generally Chartered Accountant and degree qualified with more than five years of experience. Experience in complex matters, day to day conduct of small to medium engagements. Assists senior staff on complex matters.	385
Supervisor	Generally Chartered Accountant and degree qualified with more than three years of experience. Assists senior staff in planning and conduct of small to large engagements. Supervise a small team and control small engagements.	363
Senior Analyst 1	Generally degree qualified and undertaking Chartered Accountant's qualification. Controls certain tasks on small engagements and assists staff with completing tasks on medium to large engagements.	319
Senior Analyst 2	Experienced graduate controlling certain tasks on small engagements. Assists senior staff in completing tasks on small to large engagements.	308
Analyst 1	Experienced graduate. Required to assists senior staff in completing tasks on small to large engagements.	264
Analyst 2	Generally a university graduate with appropriate qualifications. Assists with day to day tasks under the supervision of senior staff.	198
Graduate	Generally degree qualified and undertaking or about to undertake Chartered Accountant's qualification with less than one year of experience. Assists with day to day tasks under the supervision of senior staff.	182
Undergraduate	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	165
Senior Bookkeeper	Experienced bookkeeper with more than 18 months experience. Assist senior staff with accounting functions of engagement.	165
Bookkeeper	Assist senior staff with accounting functions of engagement.	154
PA	Appropriate skills and experience to support professional staff in an administrative capacity.	132
Administration	Appropriate skills and experience to support professional staff in an administrative capacity.	105

**Ichor Constructions Pty Ltd (Administrators Appointed)
ACN 098 984 082 and
Ichor Group Holdings Pty Ltd (Administrators Appointed)
ACN 605 988 592 ("the Companies")**

**Corporations Act 2001 Section 600G
Insolvency Practice Rules (Corporations) – 75-10**

**CREDITOR'S APPROVAL TO THE USE OF EMAIL BY THE EXTERNAL ADMINISTRATOR WHEN GIVING OR SENDING
CERTAIN NOTICES UNDER SECTION 600G
OF THE CORPORATIONS ACT 2001**

Should you wish to receive notices and documents relating to the administration of Ichor Constructions Pty Ltd or Ichor Group Holdings Pty Ltd by email, please complete this form and return it to Luke Mann at the address set out below.

I/We authorise the External Administrator on behalf of the Companies and his or her employees and agents to send and give notices and documents where such notices and documents may be sent by email to us using the email address provided below.

Where the external administration has evolved into another form of external administration (such as a voluntary administration becoming a deed of company arrangement or creditors voluntary administration) I/We authorise the External Administrator of the Companies whether as voluntary administrator or deed administrator or liquidator of the Companies and his employees and agents to send and give notices and documents where such notices and documents may be sent by email to me/us using the email address provided below.

Signature:	
Creditor name:	
Creditor address:	
Contact name:	
Position:	
Email Address:	
Contact number:	

Return to: HoganSproles
Via Email: lmann@hogansproles.com.au
Via Post: Level 9, 60 Pitt Street, SYDNEY NSW 2000