

IN THE SUPREME COURT OF VICTORIA AT MELBOURNE
COMMERCIAL COURT
CORPORATIONS LIST

S E C I

**IN THE MATTER OF GUNNS PLANTATIONS LIMITED (IN LIQUIDATION)
(RECEIVERS AND MANAGERS APPOINTED) (ACN 091 232 909)**

**DANIEL MATHEW BRYANT and CRAIG DAVID CROSBIE (in their capacities as
joint and several Liquidators of GUNNS PLANTATIONS LIMITED (IN
LIQUIDATION) (RECEIVERS AND MANAGERS APPOINTED)) (ACN 091 232 909)**
First Plaintiffs

and

**GUNNS PLANTATIONS LIMITED (IN LIQUIDATION) (RECEIVERS AND
MANAGERS APPOINTED) (ACN 091 232 909)**
Second Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 13 July 2021
Filed on behalf of: The Plaintiffs

Prepared by:

ARNOLD BLOCH LEIBLER

Lawyers and Advisers

Level 21

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MELBOURNE 3000

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Ref: 011915621

(Justin Vaatstra – jvaatstra@abl.com.au)

This is the exhibit marked "**CDC-3**" now produced and shown to **CRAIG DAVID
CROSBIE** at the time of swearing that person's affidavit on 13 July 2021:

Craig David Crosbie

Before me:



Samuel Martin Crock

Arnold Bloch Leibler

Level 21, 333 Collins Street, Melbourne 3000

An Australian Legal Practitioner

within the meaning of the

Legal Profession Uniform Law (Victoria)

Exhibit "CDC-3"
**Notices and minutes of Committee of
Inspection**

6 June 2014

TO THE COMMITTEE MEMBER AS ADDRESSED

Dear Sir/Madam

**GUNNS PLANTATIONS LIMITED
ACN 091 232 209 (GPL)
GUNNS LIMITED
ACN 009 478 148 (GUNNS)
(BOTH RECEIVERS & MANAGERS APPOINTED)
(BOTH IN LIQUIDATION) (THE COMPANIES)**

Meeting of the Committee of Inspection

The Liquidators of the Companies will hold a formal joint meeting of the Committee of Inspection (COI).

Meeting details are:

Date: 17 June 2014
Time: 3 pm
Location: **Teleconference**
Dial-in number: 1300 303 945
Conference code: 2008 353 357

The purpose of the meeting is to:

1. consider and approve GPL entering into agreements
2. consider and approve funding arrangements available to the Liquidators
3. consider and approve the Liquidators' remuneration for the period 5 March 2013 to 30 April 2014 for the liquidation of GPL
4. provide members with an update on the liquidation
5. provide members with an update on the Liquidators' strategy for the managed investment schemes (**Schemes**) of which GPL remains Responsible Entity (**RE**).

Enclosed with this letter is:

- **Appendix A:** Notice of COI Meeting and Agenda (Form 529)
- **Appendix B:** Appointment of proxy form (Form 532)
- **Appendix C:** GPL remuneration report
- **Appendix D:** List of Gunns Group entities

This will be the third COI meeting, since the Companies were placed into liquidation on 5 March 2013.

1. Approval to enter into agreements

We intend to seek the COI's approval to enter into the following four agreements in accordance with the *Corporations Act 2001* s477(2B) on the basis that the agreements may continue for more than three months. This approval may also be sought from the courts.

The four agreements are:

- (a) Deed of surrender - AFPT and AFPT 2 plantations
- (b) Liquidators' Side Deed - AFPT and AFPT 2 plantations
- (c) Deed to surrender and release Grower rights - TFE plantations
- (d) Landowner agreements - Great Southern and Gunns Plantations Woodlot Schemes plantations

It is important to note that the Liquidators are not asking the COI to assess the commerciality of the agreements. Court approvals under *Corporations Act 2001* s477(2B) have emphasised that the court's role is not to evaluate a Liquidator's commercial decision, but rather ensure that the liquidator is acting in good faith and for proper purposes (i.e. the courts will ordinarily rely on the commercial expertise of the liquidator).

The Liquidators will however provide the COI with background to these agreements in line with the discussion points below in order to provide the COI with sufficient information to approve the Liquidators entering into these agreements.

(a) & (b) Deed of Surrender & Liquidators' Side Deed - AFPT plantations

Key discussion points include:

- the Deed of Surrender and Liquidators' Side Deed enable completion of the sale of land owned by Australian Forestry Plantations Trust (Receivers and Managers Appointed) (**AFPT**) and Australian Forestry Plantations Trust Number 2 (Receivers and Managers Appointed) (**AFPT 2**) (**Land Sale**). The Land Sale was discussed in the previous COI meeting (held on 1 November 2013) in the context of the AFPT Implementation Deed
- Supreme Court of Victoria (**Court**) provided directions on 21 May 2014 that the Liquidators are justified and otherwise acting properly and reasonably in procuring GPL, in its capacity as the responsible entity of the relevant Schemes to terminate, relinquish or surrender those of the Project Documents of the 2003, 2006, 2008 and 2009 Gunns Woodlot Schemes to the extent necessary to enable the Land Sale to complete
- the implications of the Liquidators entering into the Deed of Surrender and Liquidators' Side Deed on behalf of GPL, including:
 - the termination, relinquishment or surrender of Grower rights to enable the buyer of the AFPT and AFPT 2 land to receive title to the GPL Scheme Assets on that land
 - AFPT and AFPT 2 release of GPL and the Growers from all existing and potential liabilities related to unpaid rent or amounts due
 - payment of a pre-agreed sum from the proceeds of the Land Sale in return for the extinguishment of Growers interests in the trees
- our assessment of the reasonableness of the Deed of Surrender and Liquidators' Side Deed for GPL creditors.

In arriving at our decision to agree to the Deed of Surrender and Liquidators' Side Deed we have:

- considered the commercial benefits to GPL and the Schemes of agreeing to the Deed of surrender
- sought and considered the advice of our legal counsel
- had regard to our duty as Liquidators to act in good faith and in the best interests of creditors
- considered the Court Orders and directions
- had regard to GPL's duties as RE to act in the best interests of Growers.

(c) Deed to surrender and release Grower rights - TFE plantations

Key discussion points include:

- this agreement is required under the Tasmanian Forestry Estate Sale Process Agreement (as discussed in the previous COI meeting on 1 November 2013)
- directions are required from the Court to approve the Liquidators (on behalf of GPL) to terminate, relinquish or surrender the Grower rights to the extent necessary to enable the completion of the Tasmanian Forestry Estate (TFE) sale
- the implications of the Liquidators entering into the Deed to surrender and release Grower rights on behalf of GPL, including:
 - the termination, relinquishment or surrender of Grower rights to enable the buyer of the TFE (including the GPL Woodlot Schemes assets located on Gunns land (**GPL Scheme Assets**)) to receive title to the GPL Scheme Assets
 - the removal of certain potential claims by the Gunns Group receivers and managers against GPL and the Growers
 - payment of the GPL Scheme Assets share of the sale proceeds of the TFE to GPL
- our assessment of the reasonableness of the Deed to surrender and release Grower rights for GPL creditors.

In arriving at our decision to agree to the Deed to surrender and release Grower rights we have:

- considered the commercial benefits to GPL and the Schemes of agreeing to the Deed to surrender and release Grower rights
- sought and considered the advice of our legal counsel
- had regard to our duty as Liquidators to act in good faith and in the best interests of creditors
- had regard to GPL's duty as RE to act in the best interests of Growers.

(d) Third party landowner agreements - Great Southern and Gunns Plantations Woodlot Schemes

Key discussion points include:

- purchase and harvest options presented to third party landowners for Scheme assets located on their land
- Court directions on 21 May 2014, that the Liquidators, in their capacity as RE of GPL, are justified and otherwise acting properly and reasonably in entering into agreements with third party landowners on the basis that the third party landowners release GPL from any past and future rental obligations
- the implications of the Liquidators entering into third party landowner agreements on behalf of GPL, including:
 - the termination, relinquishment or surrender of Grower rights under the third party landowner agreements
 - the release by third party landowners of GPL and the Growers from all existing and potential liabilities related to unpaid rent or amounts due
 - consideration payable by third party landowners under proposed agreements
- our assessment of the reasonableness of third party landowner agreements for GPL creditors.

In considering whether to enter into third party landowner agreements we have:

- considered the commercial benefits to GPL and the Schemes of agreeing to the Deed to surrender and release Grower rights
- sought and considered the advice of our legal counsel
- had regard to our duty as Liquidators to act in good faith and in the best interests of creditors
- had regard to GPL's duty as RE to act in the best interests of Growers.

2. Approval for third party funding of Liquidators remuneration

We request that the COI consider and approve the Liquidators being remunerated by third parties for specific tasks, subject to certain caps.

Parties approached us to undertake specific tasks on their behalf. These parties have been prepared to fund this work. These parties include:

- **New Forests:** for tasks required to assist them with completion of a sale contract (refer section 5(a) of this update)
- **Gunns Group Receivers and Managers (Receivers):** for our assistance in:
 - winding up three GPL Winegrape Schemes
 - involvement in proceedings between Growers and Gunns Finance Limited (Receivers and Managers appointed) (in Liquidation) (**GFL**). Note GPL has been joined as a party to these proceedings, however as they were not initiated by the Liquidators, the Liquidators are seeking compensation for the time spent providing required information
- **Growers holding loans with GFL (Growers):** provision of information for the purpose of proceedings between Growers and GFL. As these proceedings were not initiated by the Liquidators we are seeking compensation for the time spent providing required information.

We seek this approval from the COI as:

- recent amendments to the Australian Restructuring Insolvency & Turnaround Association Code of Professional Practice require Liquidators to disclose and seek approval of third party funding. These funds are then applied to meet the associated remuneration of Liquidators
- a Liquidators' remuneration is to be determined by a COI, the creditors or the Court pursuant to section 473 of the Act.

We therefore request COI members consider and approve:

- the drawing of fees received from the Receivers to date of \$44,412.26
- capping the fees we are able to draw from New Forests funding (without COI approval) at \$50,000
- capping the fees we are able to draw from the Receivers funding (without COI approval) at \$50,000
- capping the fees we are able to draw from the Growers funding (without COI approval) at \$50,000.

We will seek COI approval before drawing fees above these amounts.

3. Approval Liquidators remuneration for GPL

The Liquidators ask that the COI consider and approve their remuneration for GPL for the 5 March 2013 to 30 April 2014. A remuneration report is attached at Appendix C.

Note, a separate COI meeting will be called to approve the Liquidators remuneration for the remaining Gunns Group entities as listed in Appendix D.

4. Liquidation update

We do not expect a return to be paid to the unsecured creditors of the Gunns Group, as we outlined in our report to creditors pursuant to section 439A of the Corporations Act 2001 (the **Act**) (**Report to Creditors**) (refer section 2.4.3).

The only avenue for a potential return to unsecured creditors will be via the recovery of any voidable transactions and/or actions we take on behalf of the Gunns Group for breaches pursuant to the Act.

We note however that landowner creditors may be impacted by last year's Supreme Court of Victoria (Court) decision involving the GPL Woodlot Schemes 2002 to 2008. The Court found in that case that the landowners' claims for accrued rental liabilities were payable out of Scheme property, such as any proceeds realised for the trees. A full copy of the judgment is available on PPB Advisory's website www.ppbadvisory.com (click through to the "Creditor Information" section of the website).

(a) Investigation update

Our Report to Creditors outlined a number of concerns we had with the business, affairs and financial circumstances of the Gunns Group, as well as the conduct of its directors.

To progress these investigations, we have:

- submitted a report to ASIC pursuant to section 533 of the Act which outlines our initial investigation concerns
- held regular calls with ASIC representatives to provide updates on our investigation progress and to address any queries
- continued our inquiries into the affairs of the Gunns Group.

Any recoveries from the successful outcomes of our investigations will be for the benefit of the unsecured creditors of the relevant entity in the Gunns Group. These investigations will likely continue for another 12 months.

5. Schemes update

We provide in this section a summary of GPL activities in its role as RE of various Gunns Group Schemes. We note however that any realisation of assets associated with the schemes for which GPL is RE, will be for the benefit of Growers and not unsecured creditors of the Gunns Group.

These activities represent the majority of the tasks we have undertaken since our appointment.

GPL is RE of 18 woodlot Schemes (nine Gunns Plantations Woodlot Schemes (**GPL Schemes**) and nine Great Southern Plantations Schemes (**GSP Schemes**) (collectively the **Schemes**)) and three Winegrape schemes. We are in the process of winding up the Winegrape schemes.

We have regularly posted updates on our website as to the developments of our RE role, including:

- our campaign to identify a replacement RE for the Schemes. No replacement RE was identified
- sales campaigns for the Schemes assets
- negotiations with various landowners.

(a) GSP Schemes

We successfully negotiated a sale of the majority of the GSP Schemes assets to the Trust Company (Australia) Limited as trustee for the Forestry Investment Trust (**FIT**). The majority of land occupied by the GSP Schemes was owned by the FIT. This sale was approved by the Supreme Court of Victoria (the **Court**). Settlement of this transaction occurred on 20 December 2013.

The Court provided directions on 5 June 2014 as to the allocation of the sale funds between the GSP Schemes.

Net funds from this sale will be available for the Growers of the GSP Schemes.

(b) GPL Schemes

A significant portion of the GPL Schemes assets were recently sold as part of a joint sale process with the Receivers. The assets offered as part of this process included:

- those under the control of the Receivers
- GPL Schemes assets to the extent they are planted on land owned by the Gunns Group (approximately half of the GPL Schemes assets are planted on land owned by the Gunns Group and controlled by the Receivers).

We have made an application to the Court for directions that the GPL Liquidators are justified and acting properly and reasonably in proceeding with this sale. This application will be heard on 16 July 2014.

Prior to the joint sale process, we undertook an independent sale campaign for the assets of the GPL Schemes. No final offers were received.

Net funds from this sale will be allocated between the GPL Schemes in a manner to be approved by the Court and will be available for the Growers of the GPL Schemes.

(c) Third Party Landowners

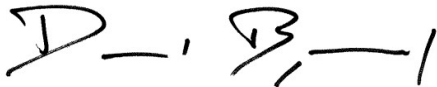
Some GSP Schemes and GPL Schemes' assets were planted on land owned by a number of third party landowners. We have entered into contracts with a number of these landowners and continue to negotiate with the balance to confirm their interest in acquiring the associated Scheme assets.

We have successfully negotiated a sale for the assets of the GPL Schemes located on land owned by AFPT and AFPT 2.

The Court ordered on 21 May 2014 that the Liquidators are justified and acting reasonably and properly in entering into agreements with third party landowners, including AFPT and AFPT 2.

Please contact Diana Micovski on (03) 9269 4287 or dmicovski@ppbadvisory.com, if you have questions regarding this update or would like any other matter discussed at the COI meeting.

Yours faithfully

A handwritten signature in black ink, appearing to be 'D., B., I.' followed by a horizontal line and a vertical stroke.

Daniel Bryant, Craig Crosbie and Ian Carson
Joint and Several Liquidators
Encl.

ACN 091 232 209

Subregulation 5.6.12 (2)

FORM 529

CORPORATIONS ACT 2001

NOTICE OF MEETING OF COMMITTEE OF INSPECTION

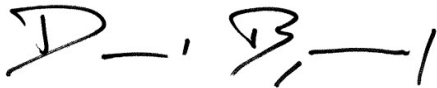
GUNNS PLANTATIONS LIMITED
ACN 091 232 209 (GPL)
GUNNS LIMITED
ACN 009 478 148 (GUNNS)
(BOTH RECEIVERS & MANAGERS APPOINTED)
(BOTH IN LIQUIDATION) (THE COMPANIES)

NOTICE is hereby given pursuant to Section 549(2) of the Corporations Act 2001 that a meeting of the Committee of Inspection of GPL and Gunns will be held on Tuesday 17 June 2014 at **3 pm** by teleconference.

AGENDA

- provide an update on the liquidation
- provide an update on the realisation of Scheme Assets
- seek approval to enter into agreements
- outline funding available to us as liquidators
- seek approval to cap our recovery of funds received
- approve liquidators remuneration.

Dated this 6 day of June 2014

A handwritten signature in black ink, appearing to be 'D, B, C' with horizontal lines extending from each letter.

Daniel Bryant, Craig Crosbie and Ian Carson
Joint and Several Liquidators

FORM 532

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY

GUNNS PLANTATIONS LIMITED
ACN 091 232 209 (GPL)
GUNNS LIMITED
ACN 009 478 148 (GUNNS)
(BOTH RECEIVERS & MANAGERS APPOINTED)
(BOTH IN LIQUIDATION) (THE COMPANIES)

I / We (1).....of
..... (address),

a creditor / grower investor of **Gunns Plantations Limited (Receivers and Managers Appointed)**
(In Liquidation)

(2) appointor in his / her absence

(3)as my/our general/special proxy

to vote at the Committee of Inspection Meeting to be held on 17 June 2014 at **3 pm**, or at any
adjournment of that meeting.

Dated this day of 2014

Signature

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 or grower investor must not be witnessed by the person nominated as proxy) *Omit if not applicable*

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 this day of 2014

Signature

Remuneration report

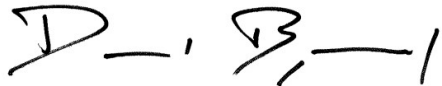
Gunns Plantation Limited
(In Liquidation) (Receivers and
Managers appointed)
(the Company)
ACN 091 232 209

1. Remuneration declaration
2. Executive summary
3. Remuneration statement
4. Statement of remuneration policy
5. Description of work completed
6. Calculation of remuneration
7. Disbursements
8. Summary of receipts and payments
9. Queries
10. Information sheets

1. Remuneration declaration

We, Daniel Bryant, Craig Crosbie and Ian Carson of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Liquidators of Gunns Plantations Limited in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 6 day of June 2014

Handwritten signature in black ink, appearing to read 'D., B., I.' with horizontal lines extending from the letters.

Daniel Bryant, Craig Crosbie and Ian Carson
Joint and Several Liquidators
Gunns Plantations Limited

2. Executive summary

At the Committee of Inspection (**Col**) meeting, we will be seeking member's resolution for the approval of remuneration in the amount of \$91,965.80 for the work undertaken by us, our partners and staff for the period 5 March 2013 to 30 April 2014.

The liquidator of a company is entitled to receive such remuneration as is determined:

- By agreement with the Col (if any)
- By resolution of the company's creditors
- If there is no such agreement by resolution – by the court.

3. Remuneration statement

Remuneration Method

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. Sometimes a practitioner will finalise an administration for a fixed fee.

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.

Method chosen

Given the nature of this administration we propose that our remuneration as Liquidators be calculated on **Time based / hourly rates**. This is because:

- It ensures that creditors are only charged for work that is performed;
- As Liquidators, we are required to perform a number tasks which do not necessarily relate to realisation of assets, for example responding to creditor enquires, reporting to the Australian Securities and Investments Commission (**ASIC**) and conducting investigations and;
- Generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required in the administration.

Explanation of Hourly Rates

The hourly rates charged by PPB Advisory effective from 5 March 2013 are set out within this remuneration report, together with a general guide showing the qualifications and experience of staff engaged in the Administration.

The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage.

Approval and payment of Remuneration

Remuneration is approved by a resolution of the creditors, a creditors' committee or a court.

Future remuneration is approved subject to a maximum or cap. Sometimes, the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

4. Statement of remuneration policy

Restructuring Corporate Rate

Insolvency Practitioners, in common with many professions, have traditionally charged for work done on the basis of hourly rates.

PPB Advisory supports the Code of Professional Practice for Insolvency Practitioners. In all matters undertaken by us we seek to charge an appropriate level of fees and expenses. They should be appropriate for us having regard to the complexity and demands of each assignment, and appropriate for our clients having regard to their objectives in seeking our assistance.

Accordingly, at all times when seeking approval for remuneration we will provide the following details:

- Type of work undertaken by the Appointees and the firm's staff
- Breakdown of the activity undertaken
- Relevant experience of each person
- Number of hours charged by each person
- Hourly rate charged for each person
- Total remuneration claimed
- Basis of recovering disbursements

See Appendix A for PPB Advisory's Schedule of rates.

5. Description of work completed

Summary of work undertaken by Daniel Bryant, Craig Crosbie and Ian Carson, Liquidators of the Company and their staff for the period

5 March 2013 to 30 April 2014

Task Area	General Description	Tasks Includes
Assets 5.20 hours \$2,353.00	Leasing	Consider land owner location Discussion with solicitors regarding correspondence with landlords Review and approve land transfer documents
Creditors 85.10 hours \$39,138.42	Creditor Enquiries	General liaison with unsecured creditors
	Secured creditor reporting	Preparation of file notes regarding bank guarantees General liaison with the Company's Receivers and Managers
	Creditor reports	Preparation of Committee of Inspection (COI) meeting reports
	Meeting of Creditors	Chairing second meeting of creditors Preparation of minutes of meetings for second meeting of creditors Responding to stakeholder queries and questions immediately following meeting Chair COI meeting Preparation of minutes of COI meeting
Investigation 56.13 hours \$22,780.73	Conducting investigation	Preparation of electronic section 533 report to be submitted with ASIC Progress investigation of voidable transactions
	Litigation / Recoveries	Various discussions with Company staff regarding information required for subpoena Preparation of subpoena and collating of information Various discussions with legal representatives regarding legal advice and issues Consider joinder action as counter-party
	ASIC reporting	Responding to enquiries raised by ASIC Attend teleconference with ASIC representatives Various discussions and correspondences with ASIC regarding Freedom of Information (FOI) request and various other matters Various discussions with PPB Advisory staff regarding FOI
Administration 84.16 hours \$27,693.65	Document maintenance/file review/checklist	Filing of documents Updating checklists
	Insurance	General liaison with insurance brokers Consider pre-appointment insurance policies
	Bank account administration	Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers

Task Area	General Description	Tasks Includes
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 524, 911, electronic section 533 report Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparing Business Activity Statements General liaison with the ATO
	Planning / Review	Various internal discussions with PPB Advisory staff regarding planning of liquidation Time reconciliations

6. Calculation of remuneration

The calculation of remuneration schedules are attached as Appendix B.

7. 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, but must account to creditors.

We have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

The following disbursements have been paid by the administration to our firm for the period from 5 March 2013 to 30 April 2014. Where amounts have been paid to our firm for externally provided services and costs, those payments are in reimbursement of costs previously paid by our firm, either due to a lack of funds in the administration at the time the payment was due, or the direct invoicing of our firm by the supplier. All of the below transactions appear in the receipts and payments listing attached to this report as Appointee disbursements. Where payments to third parties are paid directly from the administration bank account, they are only included in the attached listing of receipts and payments.

Disbursements paid
5 March 2013 to 30 April 2014

Total \$16,030.12

Externally provided professional services	
Legal costs (ABL)	\$11,447.36
Legal costs (ABL)	\$11,447.36
Externally provided non-professional services	
Bank Fees	\$0.33
Conference calls	\$24.84
Search fees	\$22.08
Travel expenses	\$37.78
Other	\$4,425.87
Internal disbursements	
Facsimile	\$0.06
Photocopies	\$4.00
Postage	\$26.78
Printing	\$41.01
Total	\$16,030.12

Future disbursements provided by our firm will be charged to the administration on the following basis:

Internal Disbursements		Rate (Excl GST)
Advertising		At cost
Courier		At cost
Faxes	Local	\$1.00 (first page) \$0.50 (every page thereafter)
	Interstate	\$1.00 (first page) \$0.50 (every page thereafter)
Photocopies	Black and white	\$0.45 per page
	Colour	\$1.50 per page
Printing	Black and white	\$0.10 per page
	Colour	\$1.50 per page
Postage		At cost
Scans		\$0.05 per page
Searches		At cost
Staff vehicle use		At prescribed ATO rates

Rates applicable for financial year ending 30 June 2014

8. Summary of receipts and payments

The summary of receipts and payments for the period from 5 March 2013 to 4 March 2014 is attached as Appendix C.

We lodge a detailed account of our receipts and payments with ASIC every six months with a statement of position. These are available from the public database.

9. Queries

Please contact Diana Micovski on +61 3 9269 4287 or by email on dmicovski@ppbadvisory.com should you have any queries or require any further information.

10. Information sheets

To assist creditors further in evaluating the work we have undertaken, an ASIC information sheet entitled 'approving fees: a guide for creditors' can be obtained from:

<http://www.asic.gov.au/asic/asic.nsf/byheadline/resources+-+insolvency+information+sheets>

APPENDIX A

PPB ADVISORY SCHEDULE OF RATES

Position	(\$) Per/Hr
Partner	675
Director / Principal	585
Senior Manager	510
Manager	465
Supervisor	445
Senior Analyst 1	395
Senior Analyst 2	380
Analyst 1	310
Analyst 2	250
Graduate	210
Undergraduate	190
Senior Bookkeeper	190
Bookkeeper	180
PA	160
Administration	120

* All rates quoted are GST exclusive

APPENDIX B



GUNNS PLANTATIONS LIMITED
ACN 091 232 209
(LIQUIDATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)

Position	Hourly Rate	Remuneration calculations															
		Total		Assets		Creditors		Employees		Trade on		Investigation		Dividend		Administration	
		Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
<u>Appointees</u>																	
Daniel Bryant	675	14.60	9,855.00	-	-	8.90	6,007.50	-	-	-	-	5.70	3,847.50	-	-	-	-
Craig Crosbie	675	7.90	5,332.50	-	-	7.50	5,062.50	-	-	-	-	0.40	270.00	-	-	-	-
Ian Carson	675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Other staff</u>																	
Partner	675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director	585	7.90	1,404.00	-	-	1.10	643.50	-	-	-	-	0.40	234.00	-	-	0.90	526.50
Senior Manager	510	55.81	28,463.67	0.60	306.00	24.00	12,241.42	-	-	-	-	20.11	10,255.25	-	-	11.10	5,661.00
Manager	465	2.80	1,302.00	-	-	-	-	-	-	-	-	-	-	-	-	2.80	1,302.00
Assistant Manager	445	45.90	20,425.50	4.60	2,047.00	22.80	10,146.00	-	-	-	-	3.80	1,691.00	-	-	14.70	6,541.50
Senior Analyst 1	395	15.66	6,184.57	-	-	1.50	592.50	-	-	-	-	2.62	1,035.98	-	-	11.53	4,556.09
Senior Analyst 2	380	0.20	76.00	-	-	-	-	-	-	-	-	-	-	-	-	0.20	76.00
Analyst 1	310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analyst 2	250	35.51	8,876.39	-	-	9.80	2,450.00	-	-	-	-	14.90	3,725.00	-	-	10.81	2,701.39
Graduate	210	34.11	7,162.17	-	-	9.50	1,995.00	-	-	-	-	8.20	1,722.00	-	-	16.41	3,445.17
Undergraduate	190	0.50	95.00	-	-	-	-	-	-	-	-	-	-	-	-	0.50	95.00
Senior Bookkeeper	190	5.00	950.00	-	-	-	-	-	-	-	-	-	-	-	-	5.00	950.00
Bookkeeper	180	10.22	1,839.00	-	-	-	-	-	-	-	-	-	-	-	-	10.22	1,839.00
Personal Assistant	160	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		236.10	91,965.80	5.20	2,353.00	85.10	39,138.42	-	-	-	-	56.13	22,780.73	-	-	84.16	27,693.65
GST			9,196.58														
Total (incl GST)			101,162.38														
Average hourly rate																	
				452.50		459.90		-		-		405.85		-		329.05	

APPENDIX C - RECEIPTS AND PAYMENTS

GUNNS PLANTATIONS LIMITED	
ACN 091 232 209	
(LIQUIDATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)	
Receipts and Payments Summary - 5 March 2013 to 4 March 2014	\$
RECEIPTS	
Sale of Great Southern Plantations schemes trees	38,500,000
Transfer in from administration period	2,107,947
Sale of Great Southern Plantations schemes woodchips	1,654,689
Grower insurance proceeds	1,531,815
RE fees	350,183
Net GST received	279,999
Interest income	236,503
Compensation for removal of tree resource	16,627
Registrar's fees	5,000
Dataroom document fee	4,000
ATO interest	197
Compliance with court subpoenas	70
Total Receipts	44,687,029
PAYMENTS	
Great Southern Plantations schemes maintenance	(1,161,935)
Legal fees	(333,779)
Independent expert fees	(132,337)
Storage	(19,275)
Insurance assessments	(18,540)
Media consulting	(6,321)
Printing & stationery	(1,618)
Sundry expenses	(1,064)
Advertising	(990)
Bank charges	(779)
Rent & rates	(1)
Total Payments	(1,676,639)
Total receipts to date	44,687,029
Total payments to date	(1,676,639)
Net receipts (payments) to date	43,010,390

GUNNS GROUP COMPANIES

1. GUNNS LIMITED (ACN 009 478 148)
 2. GUNNS NEW ZEALAND PTY LTD (ACN 069 051 378)
 3. KAURI TIMBER COMPANY LTD (ACN 004 085 714)
 4. GUNNS FOREST PRODUCTS PTY LTD (ACN 004 208 904)
 5. SORISDALE PTY LTD (ACN 054 548 971)
 6. WESLEY VALE ENGINEERING PTY LTD (ACN 006 955 568)
 7. NORTHERN FOREST INVESTMENTS PTY LTD (ACN 009 493 707)
 8. KVVIC PTY LTD (ACN 126 089 950)
 9. AUSPINE LIMITED (ACN 004 289 730)
 10. S.E.A.S. PLANTATIONS PTY LTD (ACN 005 791 695)
 11. SOUTH EAST AFFORESTATION SERVICES PROPRIETARY LIMITED (ACN 007 898 259)
 12. AUSPINE PLANTATIONS PTY LTD (ACN 002 327 808)
 13. TIMBERSALES PROPRIETARY LIMITED (ACN 004 848 864)
 14. SAPFOR TRADING PROPRIETARY LIMITED (ACN 007 924 254)
 15. S.E.A.S. SAPFOR FORESTS PROPRIETARY LIMITED (ACN 007 872 120)
 16. GTP ALEXANDRA PTY LTD (ACN 121 653 772)
 17. GTP HEYFIELD PTY LTD (ACN 000 041 814)
 18. GTP SOUTHWOOD PTY LTD (ACN 081 613 710)
 19. GUNNS PLANTATIONS LIMITED (ACN 091 232 209)
 20. GUNNS HOLDINGS PTY LTD (ACN 009 520 085)
 21. GUNNS FINANCE PTY LTD (ACN 091 861 700)
 22. ASSOCIATED FOREST HOLDINGS PROPRIETARY LIMITED (ACN 004 352 078)
 23. TASMANIAN PULP & FOREST HOLDINGS LIMITED (ACN 009 488 733)
 24. TBVIC PTY LTD (ACN 004 161 782)
 25. EAST COAST PASTORAL CO PTY LTD (ACN 009 519 528)
 26. GUNNS CONSOLIDATED INVESTMENTS PTY LTD (ACN 128 619 045)
 27. TASMANIAN SOFTWOODS PTY LTD (ACN 009 501 786)
 28. S.E.A.S. ESTATES PTY LTD (ACN 007 923 971)
 29. MANNA HOLDINGS PTY LTD (ACN 008 008 197)
 30. AUSPINE TREE FARMS PTY LTD (ACN 100 307 373)
 31. TASPINE PTY LTD (ACN 009 477 730)
 32. S.E.A.S. SAPFOR INVESTMENT SERVICES PROPRIETARY LIMITED (ACN 008 164 289)
 33. S.E.A.S. SAPFOR HARVESTING PROPRIETARY LIMITED (ACN 007 511 211)
 34. GTP CHINA PTY LTD (ACN 093 919 414)
 35. GTP SEYMOUR PTY LTD (ACN 091 652 550)
 36. GTP HOLDINGS PTY LTD (ACN 009 478 068)
- (ALL IN LIQUIDATION) (ALL RECEIVERS AND MANAGERS APPOINTED) (THE 'GUNNS GROUP')

**Australian Securities &
Investments Commission**

Electronic Lodgement

Document No. **7E6211181**

Lodgement date/time: 15-07-2014 09:13:08

Reference Id: 89613637

Form 5011

Corporations Act 2001

s436E, 439A

Corporations Regulations 2001

5.6.11.(2), 5.6.27

Copy of minutes of meeting

Liquidator details

Registered liquidator number

311189

Registered liquidator name

DANIEL MATHEW BRYANT

Company details

Company name

GUNNS PLANTATIONS LIMITED

091 232 209

Section under which minutes are lodged

Date of meeting

17-06-2014

Are the minutes being lodged for a meeting convened under s436E, or
s439A of the Corporations Act 2001?

No

Certification

I certify that the attached minutes of meeting are a true copy of the original
minutes of meeting signed by the chair of the meeting as identified in the
minutes.

Yes

Form 5011 - Copy of minutes of meeting
Liquidator: 311189 - DANIEL MATHEW BRYANT

Authentication

This form has been authenticated by
Name DANIEL MATHEW BRYANT
This form has been submitted by
Name James CLEEVE
Date 15-07-2014

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

**Gunns Plantations Ltd (Receivers and Managers Appointed)
ACN 091 232 209
(In Liquidation) (GPL)**

**Minutes of the Committee of Inspection Meeting (COI)
Held on Tuesday, 17 June 2014 at 3:00 pm
via teleconference**

OPENING:

Mr Daniel Bryant called the meeting to order at 3:00 pm introducing himself as one of the Joint and Several Liquidators appointed along with Ian Carson and Craig Crosbie to GPL (**Liquidator/s**).

IN ATTENDANCE:

Mr Bryant introduced those present at the meeting including:

- Ms Louise Gray of the Liquidators' staff
- Mr James Cleeve of the Liquidator's staff
- Ms Jane Sheridan of Arnold Bloch Leibler (**ABL**), the Liquidators' solicitors.

**COMMITTEE OF
INSPECTION
MEMBERS:**

A copy of the attendance schedule is attached.

Mr Bryant confirmed those attending by telephone could hear the meeting clearly.

**APPOINTMENT
OF CHAIRMAN:**

Mr Bryant, being the Official Liquidator, advised that he is Chairman of the meeting, in accordance with Regulation 5.6.17 of the Corporations Regulations.

QUORUM:

The Chairman advised that, as there were more than two voting creditors present at the meeting, a quorum was sufficiently constituted pursuant to Regulations 5.6.16 and 5.6.13B, and section 549(3) of the Corporations Act 2001 (**Act**). Accordingly, the meeting could proceed.

**TIME AND PLACE
OF MEETING
CONVENED:**

The Chairman advised that the notice of meeting issued on 6 June 2014 by circular provided 6 business days to convene the meeting. The Chairman declared that the time and place for holding the meeting was convenient to the majority of creditors in accordance with Regulation 5.6.14 and that teleconference facilities had been made available in accordance to Regulations 5.6.13A.

RESOLUTIONS

In accordance with Regulations 5.6.19 of the Act the Chairman noted that resolutions would be determined on the voices unless a poll was demanded.

**MINUTES OF THE
MEETINGS:**

The Chairman advised that minutes of the meeting would be lodged with the Australian Securities and Investments Commission. The minutes lodged would not be a full transcript, rather a summary covering the key matters noted and the key resolutions voted upon.

**CHAIRMAN
ADDRESS TO
THE MEMBERS:**

The Chairman advised that the purpose of the meeting was to discuss the following matters:

1. Seek approval to enter into agreements.

The Chairman advised that the Liquidators are required to seek approval from the COI on four agreements that the Liquidators would like to enter into on behalf of GPL. Under section 477(2B) of the Act, the Liquidator must not, without COI or court approval, enter into any agreement on behalf of a company which has or may have a duration of greater than three months.

The Chairman reiterated the guidance previously given in the letter to the COI, that the courts' role in section 477(2B) of the Act is not to provide commercial direction or decisions of a Liquidator, rather to provide a review mechanism to ensure that transactions entered into by the Liquidators are for a proper purpose and in good faith. The Chairman noted that there may be different interpretations of this section.

The Chairman advised that each of the transactions are for a proper purpose and in good faith.

The Chairman advised that there are a number of parties who may have a personal interest in the agreements. The purpose of each of the attendees is in their capacity as creditors and members of the committee not in personal capacity or in self-interest.

2. Outline funding available to the Liquidators and seek approval for third party remuneration for specific tasks, subject to certain caps.
3. Approve the Liquidators remuneration.
4. Provide an update on the liquidation.

The Chairman asked if there were any general questions before discussing the specifics.

There were no questions.

The Chairman proceeded to discuss these matters.

1. Agreements for approval

Ms Jane Sheridan of ABL discussed each of the agreements in detail as summarised in the notice issued to the COI members on 6 June 2014.

1.1 Deed of Surrender & Liquidators' Side Deed – AFPT and AFPT2 Plantations

The Chairman asked if there were any questions in relation to these agreements.

There were no questions.

The Chairman advised the committee has three options for voting; being in favour, against or abstain.

It was proposed by Ms Kendall Mahnken, that:

"The Liquidators be authorised to perform all tasks necessary to enter into the AFPT Deed of Surrender agreement on behalf of GPL"

Votes:

Ms Kendall Mahnken – in favour
Mr David Shelton – in favour
Mr Chris Fenwick – in favour
Mr Nick Steel – in favour
Mr Nigel Campbell – in favour

The Chairman declared the resolution carried, with an unanimous vote in favour of all members of the COI present at the meeting.

1.2 Deed to surrender and release Grower rights - Tasmanian Forestry Estate (TFE)

Mr David Gatenby and Mr Nick Steele of Tasmanian Farmers and Graziers Association (**TFGA**) asked questions concerning:

- likelihood of Growers receiving a return from the TFE sale
- ability of landowners' to claim accrued rent from the TFE sale proceeds.

The Chairman advised that Growers will only receive a return from any net sale proceeds once all the costs and liabilities associated with the GPL Woodlot Schemes have been satisfied.

Ms Sheridan noted that landowners may be impacted by a Supreme Court of Victoria (**Court**) decision involving the GPL Woodlot Schemes 2002 to 2008 that found landowners' claims for accrued rental liabilities were payable out of the relevant schemes property, such as any proceeds realised for the trees. However Ms Sheridan noted that there are still uncertain areas related to this decision that need Court determination therefore landowners should obtain their own legal advice.

The Chairman advised that the Liquidators are willing to arrange meetings to discuss these issues with landowners.

The Chairman advised the committee has three options for voting; being in favour, against or abstain.

It was proposed by Ms Kendall Mahnken, that:

"The Liquidators be authorised to perform all tasks necessary to enter into the TFE agreement on behalf of GPL".

Votes:

Ms Kendall Mahnken – in favour
Mr David Shelton – in favour
Mr Chris Fenwick – in favour
Mr Nick Steel – abstain
Mr Nigel Campbell – in favour

The Chairman declared the resolution carried, all members present at the meeting voting in favour except for Mr Nick Steel from TFGA who

abstained.

1.3 Third party landowner agreements - Great Southern and Gunns Plantations Woodlot Schemes

The Chairman asked if there are any questions in relation to these agreements.

Mr Gatenby asked questions in relation to landowners' ability to claim accrued rent out the proceeds received for the sale of scheme assets if a landowner acquires the trees on their land.

Ms Sheridan noted that if landowners purchase the trees on their land, under the Third party landowner agreements approved by the Court, the landowner releases GPL, the Schemes and the GPL Liquidators from any claims or liability for past and future rent.

The Chairman advised the committee has three options for voting; being in favour, against or abstain.

It was proposed by Mr David Shelton, that:

"The Liquidators be authorised to perform all tasks necessary to enter into the third party landowner agreements on behalf of GPL."

Votes:

Ms Kendall Mahnken – in favour

Mr David Shelton – in favour

Mr Chris Fenwick – in favour

Mr Nick Steel – abstain

Mr Nigel Campbell – abstain

The Chairman declared the resolution carried, all members present at the meeting voting in favour except for Mr Nick Steel from TFGA and Mr Nigel Campbell who abstained.

2. Approval for third party funding of Liquidators remuneration

The Chairman discussed each of the third party funding in detail as per the notice issued to the COI members on 6 June 2014.

The Chairman asked if there are any questions in relation to the funding arrangements.

No there were questions.

The Chairman requested that the COI members consider and approve the following fees:

- the drawing of fees received from the Receivers to date of \$44,412.26
- capping the fees we are able to draw from New Forests funding (without COI approval) at \$50,000
- capping the fees we are able to draw from the Receivers funding (without COI approval) at \$50,000
- capping the fees we are able to draw from the Growers funding (without COI approval) at \$50,000.

The Chairman advised the committee has three options for voting; being in favour, against or abstain.

It was proposed by Ms Kendall Mahnken, that:

"The Liquidators be authorised to draw on each of the third party funding up to the specified limit "

Votes:

Ms Kendall Mahnken – in favour

Mr David Shelton – in favour

Mr Chris Fenwick – in favour

Mr Nick Steel – in favour

Mr Nigel Campbell – in favour

The Chairman declared the resolution carried, with an unanimous vote in favour of all members of the COI present at the meeting.

3. Approve the Liquidators remuneration

The Chairman advised the COI that approval for fees was sought for the period 5 March 2013 to 30 April 2014 for work undertaken for schemes.

Approval was sought from the COI for fees totalling \$91,965.80 (exclusive of GST). Remuneration reports outlining the composition of the fees sought were attached to the notice dated 6 June 2014 sent to the COI.

The Chairman asked if there are any questions in relation to the remuneration reports.

There were no questions.

The Chairman advised the committee has three options for voting; being in favour, against or abstain.

It was proposed by Ms Kendall Mahnken, that:

"The remuneration of the Liquidators, their partners and staff for the period 5 March 2013 to 30 April 2014 are all proper costs, charges and expenses of, and incidental to the liquidation, and that amount be fixed at \$91,965.80 (exclusive of GST), having been calculated on a time basis at rates annexed to the Remuneration Reports as provided previously and is in accordance with the statement of best practice issued by ARITA. Furthermore, the Liquidators be authorised to pay the remuneration plus any applicable GST."

Votes:

Ms Kendall Mahnken – in favour

Mr David Shelton – in favour

Mr Chris Fenwick – in favour

Mr Nick Steel – in favour

Mr Nigel Campbell – in favour

The Chairman declared the resolution carried, with an unanimous vote of all members of the COI present at the meeting.

The Chairman advised that there were no more approvals required from the COI and gave a brief update on the status of the liquidation and Schemes.

CLOSURE:

The Chairman asked if there were any further questions.

There were no further questions.

The Chairman thanked those present for attending and declared the meeting closed.

SIGNED AS A CORRECT RECORD:

A handwritten signature in black ink, appearing to read 'D. Bryant', is written above the printed name.

Daniel Bryant
CHAIRMAN

Paragraph 5.6.27(2)(c)

Corporations Regulations

FORM 531C
Corporations Act 2001

GUNNS PLANTATIONS LIMITED
ACN 091 232 209
(RECEIVERS & MANAGERS APPOINTED) (IN LIQUIDATION) (GPL)

LIST OF PERSONS PRESENT AT MEETING OF COMMITTEE OF INSPECTION

Meeting held via teleconference
on 17 June 2014 at 3:00 pm

No.	Name of Creditor	Name of Proxy or Attorney (if relevant)	Signature of person attending:
1	The Trust Company Australia	Mr David Shelton	Utilised teleconference facilities
2	Banking Syndicate	Mr Chris Fenwick	Utilised teleconference facilities
3	Tasmanian Farmers and Graziers Association (TFGA)	Mr Nick Steele Mr David Gatenby	Utilised teleconference facilities Provided the Chairman a proxy for Nick Steel to represent him as he is now a former employee of TFGA. (The Chairman allowed Mr Gatenby to attend the teleconference as an observer and allowed him to ask questions.)
4	KJ Mahnken & DA Mahnken	Ms Kendall Mahnken	Utilised teleconference facilities
5	Mr Nigel Campbell	Mr Nigel Campbell	Utilised teleconference facilities

6 February 2015

TO THE COMMITTEE MEMBER AS ADDRESSED

Dear Sir/Madam

**GUNNS PLANTATIONS LIMITED
ACN 091 232 209 (GPL)
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)**

Meeting of the Committee of Inspection

The Liquidators of GPL will hold a formal meeting of the Committee of Inspection (**COI**).

Meeting details are:

Date: 23 February 2015
Time: 11 am
Location: **Teleconference**
Dial-in number: 1300 303 945
Conference code: 2008 353 357

The purpose of the meeting is to:

1. consider and approve GPL entering into an agreement
2. consider and approve the Liquidators' remuneration for the period 1 May 2014 to 31 December 2014 for the liquidation of GPL
3. provide members with an update on the liquidation
4. provide members with an update on the Liquidators' strategy for the managed investment schemes (**Schemes**) of which GPL remains Responsible Entity (**RE**).

Enclosed with this letter is:

- **Annexure A:** Notice of COI Meeting and Agenda (Form 529)
- **Annexure B:** Appointment of proxy form (Form 532)
- **Annexure C:** GPL remuneration report
- **Annexure D:** List of Gunns Group entities

This will be the fourth COI meeting, since the Companies were placed into liquidation on 5 March 2013.

1. Approval to enter into agreement

We intend to seek the COI's approval to enter into the following agreement in accordance with the *Corporations Act 2001* (**the Act**) s477(2B) on the basis that the agreement may continue for more than three months. This approval may also be sought from the courts.

The agreement is the Tumbarumba Sale Process Deed (**SPD**).

It is important to note that the Liquidators are not asking the COI to assess the commerciality of the agreement. Court approvals under Corporations Act 2001 s477(2B) have emphasised that the court's role is not to evaluate a Liquidator's commercial decision, but rather ensure that the liquidator is acting in good faith and for proper purposes (i.e. the courts will ordinarily rely on the commercial expertise of the liquidator).

The Liquidators will however provide the COI with the background to this agreement in line with the discussion points below in order to provide the COI with sufficient information to approve the Liquidators entering into this agreement.

Importantly, a key feature of the SPD is that the liquidators will make an application to the Supreme Court of Victoria (**Court**) seeking directions pursuant to s.511 of the Act that they are acting properly and reasonably in entering into the SPD with Gunns Limited (Receivers and Management appointed)(in Liquidation) (**Receivers and Managers**).

It is also important to note the benefits and costs associated with this process will accrue to the relevant GPL Woodlot Schemes.

Key discussion points will include:

- the Liquidators and Receivers of the Gunns Group of companies (**Gunns**) proposed combined sale of the Tumbarumba Estate comprising:
 - assets of Gunns including land and trees located in the Tumbarumba region of New South Wales
 - trees owned by certain Gunns Plantation Woodlot Schemes (**GPL Schemes**) located on Gunns owned land
- the purpose of the SPD
- the implications of GPL's Liquidators entering into the SPD on behalf of GPL, including:
 - Receivers of Gunns agreeing to pay the Liquidators a pre-agreed percentage of the total of any sale proceeds received in return for the extinguishment of the Growers interests in the trees
 - on settlement of a sale, Gunns would release GPL and the Growers from all existing and potential liabilities related to unpaid rent or amounts due
 - the need to obtain court approval for a sale
- our assessment of the reasonableness of the SPD for GPL creditors
- the risks and alternatives of not entering into the SPD.

In arriving at our decision to agree to the SPD we have:

- considered the commercial benefits to GPL of agreeing to the SPD
- sought and considered the advice of our legal counsel
- had regard to our duty as Liquidators to act in good faith and in the best interests of creditors.

2. Approval Liquidators remuneration for GPL

The Liquidators ask that the COI consider and approve their remuneration for GPL for the following tasks:

- **General:** \$77,740.50 for the period between 1 May 2014 to 31 December 2014
- **Grower insurance related*:** \$110,899.50 for the period between 25 September 2012 and 31 December 2014
- **Electing Grower related*:** \$8,962.50 for the period between 25 September 2012 and 31 December 2014.

* Note: These time costs relate to scheme related activities. Pursuant to the scheme documents, GPL was entitled to charge an additional fee to growers for undertaking these activities on their behalf (**Grower Fee**). Grower Fees have been charged to and paid by the specific growers for whom the services have been provided. To the extent that the Grower Fees received by GPL exceed the actual costs incurred by the liquidators, that amount is available to the GPL liquidation.

A remuneration report is attached at Annexure C.

3. Liquidation update

As previously outlined, we do not expect a return to be paid to the unsecured creditors of Gunns (as outlined in our report to creditors pursuant to section 439A of the Act (**Report to Creditors**) (refer section 2.4.3)).

The only avenue for a potential return to unsecured creditors will be via the recovery of any voidable transactions and/or actions we take on behalf of Gunns for breaches pursuant to the Act, details of which were provided in our report to creditors on 25 February 2013.

As noted previously however, landowner creditors may be impacted by a Supreme Court of Victoria decision involving the GPL Woodlot Schemes 2002 to 2008. Please refer to the previous COI notice dated 6 June 2014 for further details.

(a) Investigation update

We are currently undertaking some limited scope investigations with the Australian Securities and Investments Commission (**ASIC**). ASIC has provided funding for these investigations under its Assetless Administration Fund.

Additionally, we continue to maintain regular contact with ASIC on a number of different issues.

(b) Continuation of Liquidation

The finalisation of GPL's liquidation will not occur until the Schemes have been wound-up given GPL's primary function as RE of the Schemes.

4. Schemes update

We provide in this section a summary of GPL activities in its role as RE of Schemes since the previous COI meeting (17 June 2014). Note that any realisation of assets associated with the Schemes will be for the benefit of Scheme stakeholders and not unsecured creditors of Gunns.

(a) Great Southern Plantations Schemes (GSP Schemes)

Sale proceeds for the GSP Schemes assets are being held on trust pending distribution. In June 2014 the Court provided directions on the allocation of the sale funds between the GSP Schemes.

We are finalising the basis for distribution of net funds, the timing of which will vary for each scheme and is dependent on resolution of the issues applicable to each (e.g. resolution of competing claims, completion of harvesting activities).

(b) GPL Schemes

On 11 August 2014 the Court determined that the Liquidators were acting properly and reasonably in entering the joint sale process for the Tasmanian Forestry Estate (**TFE**) with the Receivers. Completion of the TFE sale occurred on 5 September 2014.

The Court provided directions on 5 December 2014 in relation to the allocation process for the sale funds between the GPL Schemes. An independent forestry expert, URS, will be assessing a reasonable allocation of the Sale Proceeds across the 2002 to 2009 GPL Woodlot Schemes. We expect this assessment to be complete by mid-March 2015.


We are continuing to progress realisation options of the approximate 51,000 hectares of 2002 to 2009 GPL Woodlot Scheme assets located on non-Gunns owned land.

(c) Third Party Landowners

Some GSP Schemes and GPL Schemes' assets were planted on land owned by a number of third party landowners. We have entered into contracts with a number of these GSP and GPL landowners and continue to negotiate with the balance to confirm their interest in either acquiring or harvesting the associated scheme assets.

Please contact Kellie Elliott on (03) 9269 4152 or kelliott@ppbadvisory.com, if you have questions regarding this update or would like any other matter discussed at the COI meeting.

Yours faithfully



Daniel Bryant, Craig Crosbie and Ian Carson
Joint and Several Liquidators
Encl.

A. Notice of COI Meeting and Agenda (Form 529)

FORM 529

CORPORATIONS ACT 2001

NOTICE OF MEETING OF COMMITTEE OF INSPECTION

**GUNNS PLANTATIONS LIMITED
ACN 091 232 209 (GPL)
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)**

NOTICE is hereby given pursuant to Section 549(2) of the Corporations Act 2001 that a meeting of the Committee of Inspection of GPL will be held on Monday 23 February 2015 at 11am by teleconference.

AGENDA

- provide an update on the liquidation
- provide an update on the realisation of Scheme Assets
- seek approval to enter into agreements
- Approve liquidator's remuneration.

Dated this 6 day of February 2015



Daniel Bryant, Craig Crosbie and Ian Carson
Joint and Several Liquidators

B. Appointment of proxy form (Form 532)

FORM 532

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY

GUNNS PLANTATIONS LIMITED
ACN 091 232 209 (GPL)
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)

I / We (1).....of
 (address),

a creditor / grower investor of **Gunns Plantations Limited (Receivers and Managers Appointed)**
(In Liquidation)

(2) appointor in his / her absence

(3)as my/our general/special proxy

to vote at the Committee of Inspection Meeting to be held on 23 February 2015 at **11 am**, or at any
 adjournment of that meeting.

Dated this day of 2015

Signature

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 or grower investor must not be witnessed by the person nominated as
 proxy) *Omit if not applicable*

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 this day of 2015

Signature

c. Remuneration Report

Remuneration report

Gunns Plantations Ltd
(Receivers and Managers
Appointed)
(In Liquidation) (the Company)
ACN 091 232 209

1. Remuneration statement
2. Statement of remuneration policy
3. Remuneration declaration
4. Executive summary
5. Description of work completed / to be completed
6. Calculation of remuneration
7. Statement of remuneration claim
8. Remuneration recoverable from external sources
9. Disbursements
10. Summary of receipts and payments
11. Queries
12. Information sheets

1. Remuneration statement

Remuneration Method

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. Sometimes a practitioner will finalise an administration for a fixed fee.

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.

Method chosen

Given the nature of this administration we propose that our remuneration as Liquidators be calculated on **Hourly Rates**. This is because:

- It ensures that creditors are only charged for work that is performed.
- As Liquidators, we are required to perform a number of tasks which do not necessarily relate to realisation of assets, for example responding to creditor enquires, reporting to the Australian Securities and Investments Commission (**ASIC**) and conducting investigations and
- Generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required in the administration.

Explanation of Hourly Rates

The hourly rates charged by PPB Advisory effective from 1 May 2014 are set out within this remuneration report, together with a general guide showing the qualifications and experience of staff engaged in the Administration.

The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage.

Approval and payment of Remuneration

Remuneration is approved by a resolution of the creditors, a creditors' committee or a court.

Future remuneration is approved subject to a maximum or cap. Sometimes, the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

2. Statement of remuneration policy

Restructuring Corporate Rate

Insolvency Practitioners, in common with many professions, have traditionally charged for work done on the basis of hourly rates.

PPB Advisory supports the Code of Professional Practice for Insolvency Practitioners. In all matters undertaken by us we seek to charge an appropriate level of fees and expenses. They should be appropriate for us having regard to the complexity and demands of each assignment, and appropriate for our clients having regard to their objectives in seeking our assistance.

Accordingly, at all times when seeking approval for remuneration we will provide the following details:

- Type of work undertaken by the Appointees and the firm's staff
- Breakdown of the activity undertaken
- Relevant experience of each person
- Number of hours charged by each person
- Hourly rate charged for each person
- Total remuneration claimed
- Basis of recovering disbursements

A schedule detailing our rates to apply to administrations for the period commencing 1 May 2014 is set out below, together with general details of Staff Classifications.

PPB ADVISORY SCHEDULE OF RATES

Position	(\$ Per/Hr
Partner	675
Director / Principal	585
Senior Manager	510
Manager	465
Supervisor	445
Senior Analyst 1	395
Senior Analyst 2	380
Analyst 1	310
Analyst 2	250
Graduate	210
Undergraduate	190
Senior Bookkeeper	190
Bookkeeper	180
PA	160
Administration	120

* All rates quoted are GST exclusive

Guide to Level of Insolvency Classification *

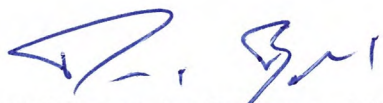
Position	Experience and qualifications
Partner	Registered Liquidator, Official Liquidator and/or Trustee, bringing his or her specialist skills to the administration.
Director/ Principal	Minimum of twelve years insolvency experience, at least five years at manager level, qualified accountant and capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in his/her own right.
Senior Manager	More than seven years insolvency experience, more than three years at manager level, qualified accountant and capable of controlling all aspects of an administration. Experienced at all levels and considered very competent.
Manager	5 - 7 years' experience, qualified accountant, with well-developed technical and commercial skills. Should be constantly alert to opportunities to meet clients' needs and to improve the clients' future operation either by revenue enhancement or by reducing costs and improving efficiency. Controls 2 - 4 staff.
Assistant Manager	3 - 6 years' experience, will have conduct of minor administrations and experience in control of 1 - 3 staff, assists planning and control of medium to larger jobs.
Senior Analyst (1 and 2)	1 - 4 years' experience, CA Program (or equivalent) would normally be completed during this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs. The difference between a Senior Analyst 1 and 2 included in this classification is the level of experience and competence.
Analyst (1 and 2)	0 - 2 years, University graduate with little or no professional experience, required to assist in day to day fieldwork under supervision of more senior staff. The difference between an Analyst 1 and 2 included in this classification is the level of experience and competence.
Graduate	Graduated from University with minimal insolvency experience. Required to assist in day to day field work and other routine tasks under supervision of more senior staff.
Undergraduate	Completed HSC and plans to undertake at least part-time degree/diploma, required to assist in administration and day to day field work under supervision of more senior staff.
Bookkeeper	At least 4 years commercial experience in bookkeeping. May be a qualified accountant classification, would depend on experience, salary and complexity of work to be conducted. The difference between a Senior bookkeeper and Bookkeeper included in this classification is the level of experience and competence.
Personal Assistant	Appropriate skills including machine usage and customer service, general administration duties on jobs.
Administration	Non-qualified, assists with general administration duties on jobs.

* The above is taken as a general guide only. From time to time, there may be persons employed who, because of their skills and experience, are employed in positions where they may not necessarily meet all of the above qualifications.

3. Remuneration declaration

We, Daniel Bryant, Ian Carson and Craig Crosbie of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Liquidators of Gunns Plantations Ltd (Receivers and Managers Appointed) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 6 day of February 2015



Daniel Bryant, Ian Carson and Craig Crosbie
Liquidators

4. Executive summary

To date, remuneration totalling \$304,077.80 has been approved and paid for Gunns Plantations Limited in this administration. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST)
Past remuneration approved:		
Voluntary Administration		
25 September 2012 to 4 March 2013		\$212,112.00
Liquidation		
5 March 2013 to 30 April 2014		\$91,965.80
Total past remuneration approved		\$304,077.80
Current remuneration approval sought:		
Liquidation		
Resolution 1: 1 May 2014 to 31 December 2014	Appendix A	\$77,740.50
Resolution 2: Insurance related tasks	Appendix B	\$110,899.50
Resolution 3: Electing grower related tasks	Appendix C	\$8,962.50

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

5. Description of work completed / to be completed

Resolution 1

Summary of work undertaken by Daniel Bryant, Ian Carson and Craig Crosbie, Liquidators of the Company and their staff for the period

1 May 2014 to 31 December 2014

Task Area	General Description	Includes
Assets 0.60 \$219.50	Leasing	Discussion with solicitors regarding correspondence with landlords Review and approve land transfer documents
Creditors 80.60 \$33,849.50	Creditor Enquiries	General liaison with unsecured creditors
	Secured creditor reporting	General liaison with the Company's Receivers and Managers
	Creditor reports	Preparation of Committee of Inspection (COI) meeting reports
	Meeting of Creditors	Chair COI meeting Preparation of minutes of COI meeting
Investigation 13.20 \$6,033.00	Conducting investigation	Correspondence with ASIC regarding section 533 submissions and potential additional investigations
	Litigation / Recoveries	Liaising with solicitors regarding potential litigation and subpoenas Addressing subpoenas
	ASIC reporting	Responding to enquiries raised by ASIC Attend regular teleconference with ASIC representatives Various discussions and correspondences with ASIC Annual report preparation
Administration 116.80 \$37,638.50	Document maintenance/file review/checklist	Filing of documents Updating checklists Categorising books and records
	Insurance	General liaison with insurance brokers Consider pre-appointment insurance policies
	Bank account administration	Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms 524 Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparing Business Activity Statements General liaison with the ATO
	Planning / Review	Discussions regarding planning of Liquidation work streams Preparation of remuneration reports

Resolution 2

Summary of work undertaken by Daniel Bryant, Ian Carson and Craig Crosbie, Liquidators of the Company and their staff for the period

2 October 2012 to 31 December 2014 related to insurance

Task Area	General Description	Includes
Administration 275.20 \$110,899.50	Insurance	Review and confirmation of adequacy of cover Liaising insurance cover with growers Reconciliation of insurance monies paid Dealing with refunding overpaid insurance proceeds Negotiations with insurance brokers on behalf of growers Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Negotiating insurance claims

Resolution 3

Summary of work undertaken by Daniel Bryant, Ian Carson and Craig Crosbie, Liquidators of the Company and their staff for the period

21 January 2014 to 31 December 2014 related to the electing grower

Task Area	General Description	Includes
Creditors 23.50 \$8,962.50	Creditor Enquiries	Liaising with electing grower regarding harvest arrangement Discussions with the Receivers and Managers regarding consent for harvest Preparation of file notes Correspondence with electing grower regarding Responsible Entity commission of total harvest proceeds

6. Calculation of remuneration

The calculation of remuneration schedules are attached as Appendix A.

7. Statement of remuneration claim

At the meeting of creditors to be held on 23 February 2015, creditors will be asked to consider the following resolutions:

Resolution 1

"To approve the Liquidators' remuneration for the period 1 May 2014 to 31 December 2014 of \$77,740.50 plus GST."

Resolution 2

"To approve the Liquidators' remuneration for the period 2 October 2012 to 31 December 2014 of \$110,899.50 plus GST in relation to grower insurance."

Resolution 3

"To approve the Liquidators' remuneration for the period 21 January 2014 to 31 December 2014 of \$8,962.50 plus GST in relation to the electing grower."

8. 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, but must account to creditors.

We have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

The following disbursements have been paid by the administration to our firm for the period from 1 May 2014 to 31 December 2014. Where amounts have been paid to our firm for externally provided services and costs, those payments are in reimbursement of costs previously paid by our firm, either due to a lack of funds in the administration at the time the payment was due, or the direct invoicing of our firm by the supplier. All of the below transactions appear in the receipts and payments listing attached to this report as Appointee disbursements. Where payments to third parties are paid directly from the administration bank account, they are only included in the attached listing of receipts and payments.

Disbursements paid	Total
1 May 2014 to 31 December 2014	
Externally provided non-professional services	
Courier	\$7.14
IT Expenses	\$400.00
Storage	\$117.22
Travel	\$134.52
Internal disbursements	
Photocopies	\$7.58
Postage	\$0.80
Printing	\$1,803.17
Scanning	\$2.62
Total	\$2,473.05

Future disbursements provided by our firm will be charged to the administration on the following basis:

Internal Disbursements		Rate (Excl GST)
Advertising		At cost
Courier		At cost
Photocopy/Printing	Black and white	\$0.10 per page
	Colour	\$0.50 per page
	A3 – Black and white	\$0.20 per page
	A3 – Colour	\$0.60 per page
Postage		At cost
Scans		\$0.05 per page
Searches		At cost
Staff vehicle use		At prescribed ATO rates

Rates applicable as at 1 January 2015

9. Summary of receipts and payments

For convenience, below is a summary of our receipts and payments for the period 1 May 2014 to 31 December 2014.

Opening balance		43,010,390.00
Receipts for the period 1 May 2014 to 31 Dec 2014	46,548,020.89	
Payments for the period 1 May 2014 to 31 Dec 2014	(10,187,247.58)	
Net receipts (payments) for the period date		36,360,773.31
Closing balance (net)		<u>79,371,163.31</u>

Pursuant to section 539(5) details six monthly accounting of all receipts and payments made since our appointment up to 4 September 2014 have been lodged with ASIC. These are available via ASIC.

Please note the key difference between this figure and the form 524 lodged with ASIC on 3 October 2014 is receipt of \$44.6m sale proceeds in late September 2014.

10. Queries

Please contact Kellie Elliott on +61 3 9269 4000 or by email on kelliott@ppbadvisory.com if you have any queries or require any further information.

11. Information sheets

Available online is the ASIC publication 'Insolvency Information for directors, employees, creditors and shareholders', which provides an index of all the additional information sheets that are available including information on 'Approving fees'. You can download these forms from www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets.

Appendix A – remuneration for the period for the period 1 May 2014 to 31 December 2014

Position	Hourly Rate	Task Area									
		Total		Assets		Creditors		Investigation		Administration	
		Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointees											
Daniel Bryant	675	3.00	2,025.00	-	-	2.50	1,687.50	0.50	337.50	-	-
Craig Crosbie	675	0.30	202.50	-	-	-	-	0.30	202.50	-	-
Ian Carson	675	0.10	67.50	-	-	-	-	-	-	0.10	67.50
		-	-								
Other staff											
Partner	675	1.30	877.50	-	-	-	-	-	-	1.30	877.50
Director	585	7.50	4,387.50	-	-	4.00	2,340.00	3.50	2,047.50	-	-
Senior Manager	510	41.50	21,165.00	0.10	51.00	22.30	11,373.00	3.40	1,734.00	15.70	8,007.00
Manager	465	2.10	976.50	-	-	-	-	-	-	2.10	976.50
Assistant Manager	445	7.00	3,115.00	0.10	44.50	2.10	934.50	0.50	222.50	4.30	1,913.50
Senior Analyst 1	395	50.80	20,066.00	-	-	33.70	13,311.50	1.40	553.00	15.70	6,201.50
Senior Analyst 2	380	-	-	-	-	-	-	-	-	-	-
Analyst 1	310	46.00	14,260.00	0.40	124.00	4.20	1,302.00	0.60	186.00	40.80	12,648.00
Analyst 2	250	15.10	3,775.00	-	-	10.70	2,675.00	3.00	750.00	1.40	350.00
Graduate	210	23.00	4,830.00	-	-	1.00	210.00	-	-	22.00	4,620.00
Undergraduate	190	-	-	-	-	-	-	-	-	-	-
Senior Bookkeeper	190	0.70	133.00	-	-	-	-	-	-	0.70	133.00
Bookkeeper	180	1.80	324.00	-	-	-	-	-	-	1.80	324.00
Bookkeeper	140	10.60	1,484.00	-	-	-	-	-	-	10.60	1,484.00
Personal Assistant	160	0.10	16.00	-	-	0.10	16.00	-	-	-	-
		-	-								
Administration	120	0.30	36.00	-	-	-	-	-	-	0.30	36.00
Total		211.20	77,740.50	0.60	219.50	80.60	33,849.50	13.20	6,033.00	116.80	37,638.50
GST			7,774.05								
Total (inc GST)			85,514.55								
Average hourly rate				365.83		419.97		457.05		322.25	

Appendix B – Insurance

Position	Hourly Rate	Task Area							
		Total		Assets		Creditors		Trade on	
		Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointees									
Daniel Bryant	675	1.10	742.50	-	-	-	-	1.10	742.50
Craig Crosbie	675	0.30	202.50	-	-	-	-	0.30	202.50
Ian Carson	675	-	-	-	-	-	-	-	-
Other staff									
Partner	675	-	-	-	-	-	-	-	-
Director	585	3.10	1,813.50	-	-	-	-	3.10	1,813.50
Senior Manager	510	36.40	18,564.00	-	-	-	-	36.40	18,564.00
Manager	465	12.10	5,626.50	-	-	-	-	12.10	5,626.50
Assistant Manager	445	153.70	68,396.50	-	-	-	-	153.70	68,396.50
Senior Analyst 1	395	-	-	-	-	-	-	-	-
Senior Analyst 2	380	-	-	-	-	-	-	-	-
Analyst 1	310	4.00	1,240.00	-	-	-	-	4.00	1,240.00
Analyst 2	250	21.10	5,275.00	-	-	-	-	21.10	5,275.00
Graduate	210	41.90	8,799.00	-	-	-	-	41.90	8,799.00
Undergraduate	190	-	-	-	-	-	-	-	-
Senior Bookkeeper	190	-	-	-	-	-	-	-	-
Bookkeeper	180	-	-	-	-	-	-	-	-
Bookkeeper	140	-	-	-	-	-	-	1.50	240.00
Personal Assistant	160	1.50	240.00	-	-	-	-	-	-
Administration	120	-	-	-	-	-	-	-	-
Total		275.20	110,899.50	-	-	-	-	275.20	110,899.50
GST			11,089.95						
Total (inc GST)			121,989.45						
Average hourly rate				-	-	-	-		402.98

Appendix C – Electing Grower

Position	Hourly Rate	Task Area									
		Total		Assets		Creditors		Trade on		Administration	
		Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
<u>Appointees</u>											
Daniel Bryant	675	-	-	-	-	-	-	-	-	-	-
Craig Crosbie	675	-	-	-	-	-	-	-	-	-	-
Ian Carson	675	-	-	-	-	-	-	-	-	-	-
				-							
<u>Other staff</u>				-							
Partner	675	0.60	405.00	-	-	-	-	0.60	405.00	-	-
Director	585	1.50	877.50	-	-	-	-	1.50	877.50	-	-
Senior Manager	510	8.80	4,488.00	-	-	-	-	8.80	4,488.00	-	-
Manager	465	-	-	-	-	-	-	-	-	-	-
Assistant Manager	445	-	-	-	-	-	-	-	-	-	-
Senior Analyst 1	395	-	-	-	-	-	-	-	-	-	-
Senior Analyst 2	380	-	-	-	-	-	-	-	-	-	-
Analyst 1	310	0.90	279.00	-	-	-	-	0.90	279.00	-	-
Analyst 2	250	11.40	2,850.00	-	-	-	-	11.40	2,850.00	-	-
Graduate	210	0.30	63.00	-	-	-	-	0.30	63.00	-	-
Undergraduate	190	-	-	-	-	-	-	-	-	-	-
Senior Bookkeeper	190	-	-	-	-	-	-	-	-	-	-
Bookkeeper	180	-	-	-	-	-	-	-	-	-	-
Bookkeeper		-	-								
Personal Assistant	160	-	-	-	-	-	-	-	-	-	-
Administration	120	-	-	-	-	-	-	-	-	-	-
Total		23.50	8,962.50	-	-	-	-	23.50	8,962.50	-	-
GST			896.25								
Total (inc GST)			9,858.75								
Average hourly rate				-	-	-	-	381.38		-	-

D. List of Gunns Group entities

GUNNS GROUP COMPANIES

1. GUNNS LIMITED (ACN 009 478 148)
 2. GUNNS NEW ZEALAND PTY LTD (ACN 069 051 378)
 3. KAURI TIMBER COMPANY LTD (ACN 004 085 714)
 4. GUNNS FOREST PRODUCTS PTY LTD (ACN 004 208 904)
 5. SORISDALE PTY LTD (ACN 054 548 971)
 6. WESLEY VALE ENGINEERING PTY LTD (ACN 006 955 568)
 7. NORTHERN FOREST INVESTMENTS PTY LTD (ACN 009 493 707)
 8. KVVIC PTY LTD (ACN 126 089 950)
 9. AUSPINE LIMITED (ACN 004 289 730)
 10. S.E.A.S. PLANTATIONS PTY LTD (ACN 005 791 695)
 11. SOUTH EAST AFFORESTATION SERVICES PROPRIETARY LIMITED (ACN 007 898 259)
 12. AUSPINE PLANTATIONS PTY LTD (ACN 002 327 808)
 13. TIMBERSALES PROPRIETARY LIMITED (ACN 004 848 864)
 14. SAPFOR TRADING PROPRIETARY LIMITED (ACN 007 924 254)
 15. S.E.A.S. SAPFOR FORESTS PROPRIETARY LIMITED (ACN 007 872 120)
 16. GTP ALEXANDRA PTY LTD (ACN 121 653 772)
 17. GTP HEYFIELD PTY LTD (ACN 000 041 814)
 18. GTP SOUTHWOOD PTY LTD (ACN 081 613 710)
 19. GUNNS PLANTATIONS LIMITED (ACN 091 232 209)
 20. GUNNS HOLDINGS PTY LTD (ACN 009 520 085)
 21. GUNNS FINANCE PTY LTD (ACN 091 861 700)
 22. ASSOCIATED FOREST HOLDINGS PROPRIETARY LIMITED (ACN 004 352 078)
 23. TASMANIAN PULP & FOREST HOLDINGS LIMITED (ACN 009 488 733)
 24. TBVIC PTY LTD (ACN 004 161 782)
 25. EAST COAST PASTORAL CO PTY LTD (ACN 009 519 528)
 26. GUNNS CONSOLIDATED INVESTMENTS PTY LTD (ACN 128 619 045)
 27. TASMANIAN SOFTWOODS PTY LTD (ACN 009 501 786)
 28. S.E.A.S. ESTATES PTY LTD (ACN 007 923 971)
 29. MANNA HOLDINGS PTY LTD (ACN 008 008 197)
 30. AUSPINE TREE FARMS PTY LTD (ACN 100 307 373)
 31. TASPINE PTY LTD (ACN 009 477 730)
 32. S.E.A.S. SAPFOR INVESTMENT SERVICES PROPRIETARY LIMITED (ACN 008 164 289)
 33. S.E.A.S. SAPFOR HARVESTING PROPRIETARY LIMITED (ACN 007 511 211)
 34. GTP CHINA PTY LTD (ACN 093 919 414)
 35. GTP SEYMOUR PTY LTD (ACN 091 652 550)
 36. GTP HOLDINGS PTY LTD (ACN 009 478 068)
- (ALL IN LIQUIDATION) (ALL RECEIVERS AND MANAGERS APPOINTED) (THE 'GUNNS GROUP')

5 December 2016

TO THE COMMITTEE MEMBER AS ADDRESSED

Dear Sir/Madam

**GUNNS LIMITED (GUNNS)
GUNNS PLANTATIONS LIMITED (GPL)
AUSPINE LIMITED (AUSPINE)
S.E.A.S. SAPFOR INVESTMENT SERVICES PTY LTD (S.E.A.S. SAPFOR)
(ALL IN LIQUIDATION) (ALL RECEIVERS AND MANAGERS APPOINTED)**

**ACN 009 478 148
ACN 091 232 209
ACN 004 289 730
ACN 008 164 289**

CONCURRENT MEETINGS OF THE COMMITTEES OF INSPECTION (COI)

The Liquidators intend to hold concurrent meetings of the COI as detailed below:

Date: Monday, 12 December 2016
Time: 2.30pm AEDST
Location: **Teleconference**
Dial-in number: 1300 303 945
Conference code: 4566 117 828

The purpose of the concurrent meetings is to:

1. Consider and approve the Liquidators' entry into an agreement with Forestry Tasmania on behalf of Gunns, GPL and Auspine (see Section 1 of this report).
2. Consider and approve the Liquidators' entry into an agreement with Australian Executor Trustees (SA) Ltd on behalf of S.E.A.S. Sapfor (see Section 2 of this report).
3. Inform COI members of the status of a claim against Gunns' former auditors (see Section 3 of this report).
4. Provide COI members with an update (see section 4 of this report) on:
 - a. the liquidation of the entities listed in Annexure D (**Gunns Group**);
 - b. settlement of legal claims; and
 - c. the managed investment schemes (**Schemes**) for which GPL remains the responsible entity (**RE**).
5. Consider and approve the Liquidators' remuneration in respect of the liquidation of:
 - a. GPL for the period 1 January 2015 to 31 August 2016;
 - b. Gunns (excluding work in respect of pursuing the former auditors), Auspine and S.E.A.S. Sapfor for the period 1 April 2015 to 31 August 2016;
 - c. Gunns in respect of pursuing claims against Gunns' former auditors for the periods:
 - i. 1 April 2015 to 30 November 2016; and
 - ii. 1 December 2016 to 30 June 2017 (i.e. on a prospective basis).

We enclose:

- **Annexure A:** Notice of Concurrent Meetings of the COI and Agenda (Form 529)
- **Annexure B:** Appointment of proxy forms (Form 532)
- **Annexure C:** Remuneration reports
- **Annexure D:** List of Gunns Group entities

1. APPROVAL OF ENTRY INTO AGREEMENTS – FORESTRY TASMANIA

In September 2016, the Liquidators entered into a confidential and conditional deed of settlement on behalf of GPL, Gunns and Auspine with Forestry Tasmania (**FT Deed**).

The FT Deed provides that Forestry Tasmania will pay GPL a total of \$1,740,000 to settle the following two claims that GPL, Gunns and Auspine have against Forestry Tasmania:

- a claim in respect of alleged unfair preference payments made by GPL, Gunns and Auspine to Forestry Tasmania prior to the Liquidators' appointment (**Preference Claim**); and
- a claim by GPL in respect of the benefit of the scheme trees (including their traceable proceeds) that Forestry Tasmania obtained after it terminated its forestry right deeds with GPL and re-entered the land (**Trees Claim**).

In arriving at the decision to enter into the FT Deed, the Liquidators have:

- considered the commercial benefits to GPL, Gunns and Auspine of agreeing to the FT Deed;
- sought and considered the advice of legal counsel; and
- had regard to our duty as Liquidators to act in good faith and in the best interests of creditors.

One of the conditions of the FT Deed is that the Liquidators obtain approval to enter into the deed under section 477(2B) of the *Corporations Act 2001* (the **Act**). Section 477(2B) provides that the Liquidators must obtain approval of a Court, the COI or the creditors to enter into a deed that may continue for more than three months. The FT Deed (and the settlement agreed therein) will terminate automatically on 14 December 2016 if not approved by the COI (or the Court) before that date.

The FT Deed contemplates various procedural steps to finalise the Preference Claim and the Trees Claim. These steps may take more than three months to finalise. Therefore, the Liquidators seek approval of their entry into the FT Deed by the COI pursuant to section 477(2B). The Liquidators have made an application to the Court seeking directions in respect of the settlements (particularly of the Trees Claim) as set out in the FT Deed. In this regard a hearing was conducted in the Supreme Court of Victoria on 30 November 2016. A decision is to be handed down on 9 December 2016 and we will update the COI of that outcome at the forthcoming meetings.

It is important to note that the Liquidators are not asking the COI to assess the commerciality of the FT Deed. Courts have emphasised that, in considering whether to give approvals under section 477(2B), it is not necessary to evaluate a liquidator's commercial decision. Rather, the purpose of the COI considering the liquidators' entry into the FT Deed is to consider whether the liquidator is acting in good faith and for a proper purpose.

At the meeting of the COI, the Liquidators will provide the COI with the background to the FT Deed in order to give the COI sufficient information to consider the Liquidators' entry into the FT Deed and provide approval under section 477(2B).

Key discussion points will include:

- background to the FT Deed;
- the key terms of the FT Deed;

- determination of how the settlement proceeds will be divided to ensure an equitable result for all stakeholders including:
 - the calculations we used to arrive at the risk-discounted amount of the Preference Claim; and
 - the background to and risk factors associated with the Trees Claim;
- the implications of the Liquidators' entry into the FT Deed on behalf of GPL, Gunns and Auspine including:
 - benefits and costs of realisation in relation to the Preference Claim which will accrue to the creditors of GPL, Gunns and Auspine; and
 - benefits and costs of realisation in relation to the Trees Claim which will accrue to the GPL Schemes.

2. APPROVAL OF ENTRY INTO AGREEMENT – AUSTRALIAN EXECUTOR TRUSTEES

Executor Trustee Australia Ltd (**ETA**), which is trustee for the SEAS Group Forestry Trust (**Trust**), wishes to retire as trustee and be replaced by a related entity, Australian Executor Trustees (SA) Ltd (**AETSA**).

AETSA is trustee for other prescribed investment schemes involving the Gunns Group.

The retirement and appointment of an alternative trustee will not alter the operational obligations and responsibilities of the trustee in respect of the SEAS Group Forestry Trust, i.e. these obligations and responsibilities will continue to be serviced by the Corporate Trust division of AETSA.

We have reviewed the deed of covenant, retirement and appointment documents, and have satisfied ourselves that it complies with the trust deed and causes AETSA to step into the shoes of ETA, without affecting the obligations owed to the manager, S.E.A.S. Sapfor.

3. CLAIM AGAINST THE GUNNS GROUP'S FORMER AUDITOR

Since our last meeting, we have discussed with members of the COI and representatives of some of the secured lenders a claim against the Gunns Group's auditors (**Audit Claim**), KPMG (**Auditor**).

Members may recall together with our advisers (counsel, solicitors and external audit expert) we have:

- progressed investigations in respect of alleged Auditor negligence and consequential losses;
- obtained and reviewed the Auditor's work papers;
- publicly examined the Auditor's key personnel under oath;
- restated the Gunns Group financial statements to establish the true financial position of the Gunns Group in the Auditor Claim period (financial years 2008 and 2009) and estimated consequential losses suffered by the Gunns Group;
- filed a Statement of Claim (**SOC**) in the Supreme Court of Tasmania and served the SOC on the Auditor; and
- investigated and negotiated litigation funding to allow progression of the Audit Claim.

Counsel opinion and Court approved Funding Agreement

Since the discussions referred to above we have obtained a favourable opinion from senior counsel as to the strength of the Audit Claim and finalised a litigation funding agreement (**Funding Agreement**) with Claims Funding Australia Pty Ltd (**CFA**). CFA incorporated a condition precedent in the Funding Agreement that we obtain Court approval to enter into the Funding Agreement in order to preserve its interests. Additional commercial reasons also supported seeking a Court approval of the

Funding Agreement. Accordingly, on 2 December 2016 we sought and obtained Court approval to enter into the Funding Agreement. The Court approval replaces a need for the COI to otherwise approve entry into the Funding Agreement.

Members may recall pursuant to the Funding Agreement all costs in the Audit Claim litigation (including the Liquidators, solicitors, counsel, expert fees and other costs) are to be met by CFA in return for CFA being paid (to the extent possible) from any recoveries from the Auditor in the Audit Claim (**Audit Claim Recoveries**):

- all costs incurred by CFA in pursuing the Audit Claim; and
- a percentage of the Audit Claim Recoveries.

The losses we seek to recover from the Auditor and the costs to run the Audit Claim have been discussed and are available for further discussion if requested, however no ongoing costs in respect of the Audit Claim are required to be met by the Gunns Group. CFA will also provide adverse cost protection to the Liquidators and Gunns Group as well as providing security of costs where necessary.

COI Approval for basis of Liquidators' Remuneration

Although pursuant to the Funding Agreement all costs in respect of the Audit Claim are to be paid by CFA, we are required to seek COI approval of our fees. The Liquidators therefore seek COI approval of their fees on the following basis:

- hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time; and
- subject to the Court's determination, an amount calculated and fixed in a percentage of no more than 5 per cent of the Audit Claim Recoveries as defined in this report (**Uplift Fee**).

Where the COI agrees the Liquidators' fees including the Uplift Fee, CFA will only pay 60% of the Liquidators' hourly fees incurred until (and if) there are Audit Claim Recoveries. To the extent possible, the remaining 40% of the Liquidators' hourly fees will be paid together with the Uplift Fee from any Audit Claim Recoveries. Where the Audit Claim Recoveries are not sufficient to pay either the remaining 40% of the Liquidators' hourly fees or the Uplift Fee, the Liquidators will be unable to recover those amounts.

In the absence of COI approval for the above fee basis, the Court approved Funding Agreement provides for the Liquidators' remuneration to be paid only with reference to hourly fees calculated on a time basis. In this instance, CFA will pay the Liquidators 100% of the hourly fees incurred without any reference to Audit Claim Recoveries. This is not CFA's preferred option.

Hourly fees calculated on a time basis, on both bases discussed above, are set out in the attached Audit Claim Remuneration Report for consideration by the COI at the forthcoming meetings.

As indicated at the last COI meetings and subsequent discussions, we have also continued to investigate the viability of any claims against the directors and officers (**D&O**) for negligence (**D&O Claims**). This work is ongoing. Subject to further approvals CFA may provide an offer of funding to pursue the identified D&O Claims.

The content of our investigations, loss calculations and views regarding the Auditor Claim and D&O Claims are commercially sensitive and legally privileged.

We will discuss the above at the forthcoming meetings.

4. LIQUIDATION UPDATE

(a) Investigation update

The Liquidators have advanced their investigations into the financial affairs of the Gunns Group, including transactions that occurred in the lead up to the Gunns Group entering into voluntary administration which may be voidable under Part 5.7B Division 2 of the Act.

Preference payments

We have investigated around 1,461 payments which the Gunns Group made to more than 270 creditors prior to the winding up and considered whether any payments might be voidable and recovered as an unfair preference (in accordance with section 588FA of the Act). Following our investigations, that list of approximately 270 creditors was further reduced to a pool of around 170 claims (including approximately 74 claims in respect of which proceedings were commenced). Settlements totalling approximately \$6.9 million have been achieved with 60 of those creditors.

As referred to above, litigation was commenced against approximately 74 creditors of the Gunns Group whom we believe received significant payments during the period 30 March 2012 (when the Gunns Group became insolvent) and 25 September 2012 (when the Gunns Group was placed into voluntary administration).

Given the early stage of the various voidable preference proceedings, we are not yet able to confirm the amount and timing of any return to unsecured creditors from this source.

As previously advised, the only avenue for a potential return to unsecured creditors will be via the recovery of any voidable transactions and/or actions we take on behalf of the Gunns Group for breaches pursuant to the Act.

ASIC communications

We continue to hold regular calls with the Australian Securities and Investments Commission representatives to provide updates on our investigation progress and to address any enquiries.

(b) Continuation of the liquidation

The finalisation of the Gunns Group liquidation will not occur until:

- finalisation of our investigations and settlement of any legal actions
- the Schemes have been wound-up, given GPL's primary function as RE of the Schemes.

(c) Schemes update

GPL continues to act as the RE of the following managed investment schemes:

- 7 Gunns Plantations Woodlot Schemes (**GPL Schemes**)
- 9 Great Southern Plantations Schemes (**GSP Schemes**)
- 3 Gunns Plantations Winegrape schemes (together, **Schemes**).

We provide in this section a summary of GPL activities in its role as RE of the Schemes since the previous COI meetings. We note that any realisation of assets associated with the Schemes will be for the benefit of Scheme stakeholders (**Growers**) and not the unsecured creditors of GPL.

i. Distribution of GPL Schemes and GSP Schemes proceeds

The Liquidators have commenced the distribution of sale proceeds from asset realisations (less applicable costs) to Growers of the GPL Schemes and GSP Schemes.

ii. **Commencement of the wind-up of GPL Schemes and GSP Schemes**

The Liquidators issued notices in May 2016 pursuant to section 601NC of the Act, formally notifying the GPL Scheme and GSP Scheme Growers of GPL's intention to commence the winding-up of these schemes, given the majority of the issues associated with these schemes have been resolved.

Growers' rights will remain unchanged until the winding-up of the schemes is completed, the timing of which will be subject to the distribution of the GPL Scheme and GSP Scheme funds to eligible Growers.

iii. **Third Party Landowners' competing claims**

As noted in prior Annual Reports, GPL Scheme and GSP Scheme assets were planted on land owned by a number of third party landowners (**Landowners**).

We have entered into contracts with the majority of the GPL and GSP landowners and continue to negotiate with the balance to confirm their interest in either acquiring or harvesting the associated scheme assets.

5. APPROVAL OF THE LIQUIDATORS' REMUNERATION

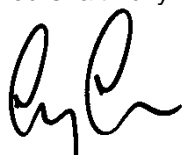
At the meeting, we will also seek the approval of the COI for our remuneration summarised as follows:

Entity	Time period	Remuneration request \$
GPL	1 January 2015 to 31 August 2016	278,881.00
Gunns (excluding Audit Claim)	1 April 2015 to 31 August 2016	1,880,120.02
Gunns (Audit Claim)	1 April 2015 to 30 November 2016	717,673.20
Gunns (Audit Claim) - Future Fees	1 December 2016 to 30 June 2017	750,000.00
Auspine	1 April 2015 to 31 August 2016	2,319.44
S.E.A.S Sapfor	1 April 2015 to 31 August 2016	9,038.47

We note the future fees in respect of the Audit Claim will be paid pursuant to the Funding Agreement as set out in the remuneration report at Annexure C. Our remuneration reports provide details of the work performed and work to be performed.

Please contact Miranda Priddle on (03) 9269 4163 or mpriddle@ppbadvisory.com if you have questions regarding this update or would like any other matter discussed at the COI meeting.

Yours faithfully



Daniel Bryant, Craig Crosbie and Ian Carson
Liquidators

Date of appointment:	5 March 2013
Contact name:	Miranda Priddle
Telephone number:	(03) 9269 4163
Email:	mpriddle@ppbadvisory.com

FORM 529

Sub-Regulation 5.6.12(2)

Corporations Act 2001

NOTICE OF CONCURRENT MEETINGS OF COMMITTEES OF INSPECTION

GUNNS LIMITED (GUNNS)	ACN 009 478 148
GUNNS PLANTATIONS LTD (GPL)	ACN 091 232 209
AUSPINE LIMITED (AUSPINE)	ACN 004 289 730
S.E.A.S. SAPFOR INVESTMENT SERVICES PTY LTD (S.E.A.S SAPFOR)	ACN 008 164 289
(ALL RECEIVERS & MANAGERS APPOINTED) (ALL IN LIQUIDATION)	

Notice is hereby given that pursuant to Section 549(2) of the Corporations Act 2001 concurrent meetings of the Committees of Inspection of Gunns, GPL, Auspine and S.E.A.S Sapfor will be held on Monday, 12 December 2016 at 2:30pm AEDST by teleconference.

AGENDA

- Seek approval for the Liquidators to enter into agreements for a term greater than three months
- Consider and approve the Liquidators' remuneration
- Provide an update on the liquidations
- Provide an update on the Managed Investment Schemes
- Any other business

Dated this 5th day of December 2016



Daniel Bryant, Craig Crosbie and Ian Carson
Joint and Several Liquidators

FORM 532

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY

GUNNS LIMITED
ACN 009 478 148
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION) (GUNNS)

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of **Gunns Limited (Receivers and Managers Appointed) (In Liquidation)**

appoint.....or in his / her absence

.....as my/our proxy to vote at the meeting of
 creditors to be held on Monday 12 December 2016 at 2:30pm, or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	<i>"To approve the Liquidators entry into a deed of settlement with Forestry Tasmania as detailed in the Liquidators' report dated 5 December 2016, pursuant to Section 477(2B) of the Corporations Act 2001."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Liquidators' remuneration excluding work in respect of the Audit Claim <i>"To approve the Liquidators' remuneration for the period 1 April 2015 to 31 August 2016 of \$1,880,120.02 plus GST as detailed in the remuneration report dated 5 December 2016."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Liquidators' remuneration for work in respect of the Audit Claim – Option A <i>"Following the Orders of the Supreme Court of Victoria dated 2 December 2016 that the Liquidators, Gunns Limited (Gunns) and the Gunns Group of companies listed in the schedule to those Orders (Gunns Group) have approval to enter into and cause Gunns and the Gunns Group to enter into the funding agreement described in the report to the Committee of Inspection (COI) dated 5 December 2016 (COI Report) (Funding Agreement), the COI and the Liquidators determine by agreement that the remuneration payable to the Liquidators in respect of the Audit Claim is as follows:</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<p>a) <i>hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) at the rate of 60%, such remuneration to be approved periodically by the COI; and</i></p> <p>b) <i>subject to the Court's determination, from the Audit Claim Recoveries (as defined in the COI Report):</i></p> <ul style="list-style-type: none"> i. <i>the unpaid 40% of hourly fees referable to those calculated in a); and</i> ii. <i>an amount calculated and fixed in a percentage of no more than 5 per cent of the Audit Claim Recoveries.</i> <p>c) <i>In respect of the period 1 April 2015 to 30 November 2016, the COI approves the Liquidators' remuneration totalling \$430,603.92 (\$717,673.20 x .6) plus GST, as set out in the Remuneration Report dated 5 December 2016."</i></p>			
3.1	<p>Liquidators' remuneration for work in respect of the Audit Claim – Option A</p> <p><i>"In respect of the period 1 December 2016 to 30 June 2017, the COI approves the Liquidators' remuneration as set out in the Remuneration Report dated 5 December 2016 based on hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) to a maximum of \$450,000 (\$750,000 x .6) plus GST."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	<p>Liquidators' remuneration for work in respect of the Audit Claim – Option B</p> <p><u>Please note Resolution 4 is an alternative to Resolution 3</u></p> <p><i>"Following the Orders of the Supreme Court of Victoria dated 2 December 2016 that the Liquidators, Gunns Limited (Gunns) and the Gunns Group of companies listed in the schedule to those Orders (Gunns Group) have approval to enter into and cause Gunns and the Gunns Group to enter into the funding agreement described in the report to the Committee of Inspection (COI) dated 5 December 2016 (COI Report) (Funding Agreement), the COI and the Liquidators determine by agreement that the remuneration payable to the Liquidators in respect of the Audit Claim is as follows:</i></p> <ul style="list-style-type: none"> a) <i>hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) such remuneration to be approved periodically by the COI.</i> b) <i>In respect of the period 1 April 2015 to 30 November 2016, the COI approves the Liquidators' remuneration totalling \$717,673.20 plus GST, as set out in the Remuneration Report dated 5 December 2016."</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4.1	<p>Liquidators' remuneration for work in respect of the Audit Claim – Option B</p> <p><u>Please note Resolution 4.1 is an alternative to Resolution 3.1</u></p> <p><i>"In respect of the period 1 December 2016 to 30 June 2017, the COI approves the Liquidators' remuneration as set out in the Remuneration Report dated 5 December 2016 based on hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) up to a maximum of \$750,000 plus GST".</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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C. Signature (in accordance with Sections 127 or 250D of the Corporations Act 2001)

If the member is an individual

If the member is a Company

.....

.....
Director/Company Secretary

.....
Print name

Dated this day of 20....

CERTIFICATE OF WITNESS

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested 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 before he attached his signature or mark to the instrument.

Signature of witness: _____

FORM 532

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY

GUNNS PLANTATIONS LTD (GPL)
ACN 091 232 209
(RECEIVERS AND MANAGERS APPOINTED)
(IN LIQUIDATION)

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor / grower investor of **Gunns Plantations Limited (Receivers and Managers Appointed) (In Liquidation)**

appoint.....or in his / her absence
as my/our proxy to vote at the meeting of
 creditors to be held on Monday 12 December 2016 at 2:30pm, or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	"To approve the Liquidators entry into a deed of settlement with Forestry Tasmania as detailed in the Liquidators' report dated 5 December 2016, pursuant to Section 477(2B) of the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	"To approve the Liquidators' remuneration for the period 1 January 2015 to 31 August 2016 of \$278,881.00 plus GST as detailed in the remuneration report dated 5 December 2016."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Signature *(in accordance with Sections 127 or 250D of the Corporations Act 2001)*

If the member is an individual

.....

If the member is a Company

.....
 Director/Company Secretary

.....
 Print name

Dated this day of 20....

CERTIFICATE OF WITNESS

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested 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 before he attached his signature or mark to the instrument.

Signature of witness:

FORM 532

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY

S.E.A.S. SAPFOR INVESTMENT SERVICES PTY LTD (S.E.A.S SAPFOR)
ACN 008 164 289
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of **S.E.A.S. Sapfor Investment Services Pty Ltd (Receivers and Managers Appointed) (In Liquidation)** appoint.....or in his / her absence

.....as my/our proxy to vote at the meeting of creditors to be held on Monday 12 December 2016 at 2:30pm, or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	"To approve the Liquidators entry into an agreement with Australian Executor Trustees(SA) Ltd as detailed in the Liquidators' report dated 5 December 2016, pursuant to Section 477(2B) of the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	"To approve the Liquidators' remuneration for the period 1 April 2015 to 31 August 2016 of \$9,038.47 plus GST as detailed in the remuneration report dated 5 December 2016."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Signature *(in accordance with Sections 127 or 250D of the Corporations Act 2001)*

If the member is an individual

.....

If the member is a Company

.....

Director/Company Secretary

.....

Print name

Dated this day of 20....

CERTIFICATE OF WITNESS

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested 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 before he attached his signature or mark to the instrument.

Signature of witness:

FORM 532

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY

AUSPINE LIMITED (AUSPINE)
ACN 004 289 730
(RECEIVERS & MANAGERS APPOINTED)
(IN LIQUIDATION)

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of **Auspine Limited (Receivers and Managers Appointed) (In Liquidation)**

appoint.....or in his / her absence

.....as my/our proxy to vote at the meeting of

creditors to be held on Monday 12 December 2016 at 2:30pm, or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	"To approve the Liquidators entry into a deed of settlement with Forestry Tasmania as detailed in the Liquidators' report dated 5 December 2016, pursuant to Section 477(2B) of the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	"To approve the Liquidators' remuneration for the period 1 April 2015 to 31 August 2016 of \$2,319.44 plus GST as detailed in the remuneration report dated 5 December 2016."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Signature *(in accordance with Sections 127 or 250D of the Corporations Act 2001)*

If the member is an individual

.....

If the member is a Company

.....
 Director/Company Secretary

.....
 Print name

Dated this day of 20....

CERTIFICATE OF WITNESS

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested 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 before he attached his signature or mark to the instrument.

Signature of witness:

Remuneration report
Gunns Limited – Excluding Audit
Claim
ACN 009 478 148
(Receivers and Managers
Appointed)
(In Liquidation) (the Company)

1. Remuneration declaration
2. Executive summary
3. Remuneration statement
4. Statement of remuneration policy
5. Description of work completed
6. Calculation of remuneration
7. Statement of remuneration claim
8. Remuneration recoverable from external sources
9. Disbursements
10. Summary of receipts and payments
11. Queries
12. Information sheets

1. Remuneration declaration

We, Daniel Bryant, Craig Crosbie and Ian Carson of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Liquidators of Gunns Limited (Receivers & Managers Appointed) (In Liquidation) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 5th day of December 2016



Daniel Bryant, Craig Crosbie and Ian Carson
Liquidators

2. Executive summary

To date, \$44,396.70 has been paid in this administration from the Assetless Administration Fund (**AA Fund**) received from Australian Securities and Investments Commission (**ASIC**). Remuneration approved to date for Gunns Ltd totals \$1,601,373.25. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST)
Past remuneration approved:		
25 September 2012 to 4 March 2013		\$1,034,273.93
5 March 2013 to 31 March 2015		\$567,099.32
Total past remuneration approved		\$1,601,373.25
Current remuneration approval sought:		
Resolution: 1 April 2015 to 31 August 2016	Resolution 1	\$1,880,120.02

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3. Remuneration statement

Remuneration Method

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. Sometimes a practitioner will finalise an administration for a fixed fee.

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.

Method chosen

Given the nature of this administration we propose that our remuneration as Liquidators be calculated on **Hourly Rates**. This is because:

- it ensures that creditors are only charged for work that is performed;
- as Liquidators, we are required to perform a number of tasks which do not necessarily relate to realisation of assets, for example responding to creditor enquires, reporting to the ASIC, conducting investigations; and
- generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required in the administration.

Explanation of Hourly Rates

The hourly rates charged by PPB Advisory effective from 1 July 2014 are set out within this remuneration report, together with a general guide showing the qualifications and experience of staff engaged in the Administration.

The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage.

Approval and payment of Remuneration

Remuneration is approved by a resolution of the creditors, a creditors' committee or a court.

Future remuneration is approved subject to a maximum or cap. Sometimes, the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

4. Statement of remuneration policy

Restructuring Corporate Rate

Insolvency Practitioners, in common with many professions, have traditionally charged for work done on the basis of hourly rates.

PPB Advisory supports the Code of Professional Practice for Insolvency Practitioners. In all matters undertaken by us we seek to charge an appropriate level of fees and expenses. They should be appropriate for us having regard to the complexity and demands of each assignment, and appropriate for our clients having regard to their objectives in seeking our assistance.

Accordingly, at all times when seeking approval for remuneration we will provide the following details:

- type of work undertaken by the Appointees and the firm's staff
- breakdown of the activity undertaken
- relevant experience of each person
- number of hours charged by each person
- hourly rate charged for each person
- total remuneration claimed
- basis of recovering disbursements.

A schedule detailing our rates to apply to administrations for the period commencing 1 July 2014 is set out below, together with general details of staff classifications.

Staff category	Charge rate (\$ per hour)
Partner	675.00
Director	585.00
Senior Manager	510.00
Manager	465.00
Assistant Manager	445.00
Senior Analyst / Senior Consultant	395.00
Senior Analyst 2	380.00
Consultant	310.00
Analyst	250.00
Graduate	210.00
Undergraduate	190.00
Senior Bookkeeper	190.00
Executive Assistant	160.00

PPB Advisory Classifications

Position	Guide to level of experience and qualifications
Partner	Registered Liquidator, Official Liquidator and/or Trustee, bringing his or her specialist skills to the administration.
Director	Generally, minimum of 12 years' experience, at least five years at manager level. Extensive technical knowledge and capable of controlling all aspects of an administration. May be qualified to take appointments in his/her own right.
Senior Manager	Generally, more than seven years' experience and three years at manager level. Broad technical knowledge and capable of managing medium to large assignments.
Manager	Five to seven years' experience. Well-developed technical and commercial skills. Capable of managing medium client assignments and parts of larger client files. Supervises one to four staff.
Assistant Manager	Three to six years' experience. Capable of managing minor administrations and assists with planning and management of medium to large assignments. Supervises teams of between one to three staff.
Senior Analyst / Senior Consultant	One to four years' experience, Completion of CA Program (or equivalent) during this period. Assists planning and manages small to medium assignments as well as performing some of the more difficult work on larger jobs.
Analyst / Consultant	None to two years. Graduate with minimal professional experience. Required to assist in day to day tasks under supervision of more senior staff.
Graduate	Graduate with little or no experience. Required to assist in day to day tasks under supervision of more senior staff.
Undergraduate	Completed high school and plans to undertake a degree/diploma. Required to assist in administration and day to day tasks under supervision of more senior staff.
Bookkeeper	Generally commercial experience gained in bookkeeping. Required to prepare and process accounts and statutory tasks.
Executive Assistant	Appropriate skills including machine usage and customer service, general administration duties on jobs.

The above is taken as a general guide only. From time to time, there may be persons employed who, because of their skills and experience, are employed in positions where they may not necessarily meet all of the above qualifications.

5. Description of work completed

Summary of work undertaken by Daniel Bryant, Craig Crosbie and Ian Carson, Liquidators of the Company and their staff for the period from 1 April 2015 to 31 August 2016 (excluding work in respect of the Audit Claim as defined in the report to the Committee of Inspection dated 5 December 2016)

Task Area	General Description	Includes
Creditors 214.6 hours \$76,176.64	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of inspection members
	Secured creditor reporting	Correspondence via email and telephone with the Company's Receivers and Managers on the progress of the liquidation
	Creditor reports	Preparation and issuing of the 2015 and 2016 annual reports to creditors Preparation of reports to the Committee of Inspection (COI) issued in June 2015 and September 2015
	Meeting of Creditors	Preparation of meeting notices and proxies for COI meetings held in June 2015 and September 2015 Preparation and chairing COI meetings held in June 2015 and September 2015 Preparation and lodgement with ASIC of the minutes for the June and September 2015 COI meetings
	Shareholder enquiries	Prepare and distribute declaration to shareholders advising no value in shares Attendance to shareholder enquiries via email and telephone Maintain enquiry records
Employees 3.1 hours \$1,722.00	Other Employees issues	Respond to requests from workplace insurers
Investigation (Preference Payments) \$1,754,244.88 hours 3,674.60	Conducting investigation	Identification and substantiation of potential preference payment claims Number of claims: 273 Total value of claims: \$70,159,525.41 Actions: Collating and analysing Company records for the purpose of determining date of insolvency, including: <ul style="list-style-type: none"> liaison with the Receivers and Managers to recover a large volume of hard and soft copy Company books and records, including the transfer of electronic files from the Company's servers review of creditor correspondence (circa 273 creditor accounts) review of the aging of creditor accounts/liabilities review of banking facilities

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • review of numerous board papers, management reports and board minutes detailing discussions relating to ongoing trading • review of numerous cash flows, balance sheets and profit and loss statements to understand the financial performance and position of the Company • review and analyse the working capital and net asset position to determine periods of working capital deficiencies and negative net assets <p>Review of Company records to identify potential preference payments, including:</p> <ul style="list-style-type: none"> • review of approximately 1,416 bank account transactions • assessment of creditor knowledge of the Company's insolvency • review of creditor trading terms and assessment whether payments to creditors were within terms • review of numerous general ledger records and conducting reconciliations between bank account transactions and general ledger entries • locating specific transactions in the Company's accounting system • conducting searches in the document management database to locate records to support preference payment claims • review of individual creditor contracts and agreements for payment terms • conducting running account balance analysis on 167 claims to assess potential running account balance defence on preferential payments <p>Ongoing monitoring of claim status</p> <p>Regular internal discussions and meetings regarding the progress of the investigations and claims</p> <p>Preparing and maintaining investigation files</p> <p>Expert Insolvency Report</p> <p>Engagement of independent expert (the Expert) to prepare a report on the solvency of the Company.</p> <p>Relevant tasks included:</p> <ul style="list-style-type: none"> • preparing and attending meetings with the Expert • attending to requests for information from the Expert • meeting with the lawyers to review the Expert's report and findings <p>Issue of letters of demand for preference payments to 171 creditors</p> <p>Issue instructions to the Liquidators' lawyers to draft and issue letters of demand to 171 creditors</p> <p>Review and assess creditors' responses to the letter of demand</p>

Task Area	General Description	Includes
		<p>Issuing instructions to the Liquidators' lawyers regarding pursuing claims</p> <p>Completion of negotiations to settle various claims</p> <p>Liaise with lawyers on preparation and review of settlement documents</p> <p>Ongoing negotiations with numerous creditors</p>
	Conduct of public examinations	<p>Public examinations</p> <p>Actions:</p> <p>Instructions to the Liquidators' lawyers to issue summonses on 21 individuals to produce records relating to preference payment claims</p> <p>Preparation and conduct of the public examination of representatives of 10 creditors, including:</p> <ul style="list-style-type: none"> • instructions to the Liquidators' lawyers to issue summonses on 10 individuals to attend a public examination pursuant to S596A of the Act • review and affirmation of affidavits for the conduct of the public examinations • attending various internal meetings to discuss the public examinations strategy • attending various meetings and discussions with the lawyers in preparation for the public examinations • preparation of questions and identification of information sought from the public examinations <p>Attendance at the 10 public examinations</p> <p>Review transcripts and other evidence obtained from the public examinations</p>
	Litigation / Recoveries	<p>Legal proceedings</p> <p>Number of claims: 74</p> <p>Total value of claims: \$51,660,572.37</p> <p>Actions:</p> <p>Liaison with lawyers to commence legal proceedings against 74 recipients of unfair preference payments:</p> <ul style="list-style-type: none"> • reviewing Statements of Claims (SOC) • filing of 73 SOC with the Federal Court of Australia • filing of one SOC with the Supreme Court of Victoria <p>Review replies received regarding the preference payment claims and liaison with the lawyers to prepare responses</p> <p>Review defences to the preference payments and liaise with the lawyers on the validity of the defences and determination of the likely value of claims</p> <p>Liaison with the lawyers on responses to defences raised by creditors</p> <p>Reviewing and providing comments on various legal documents including affidavits, statutory notices and discovery applications</p>

Task Area	General Description	Includes
		<p>Complying with interlocutory obligations</p> <p>Attending internal strategy meetings with the lawyers regarding several mediations</p> <p>Preparing for and attending several mediations</p> <p>Liaison with lawyers on preparation and review of settlement documents</p> <p>Following up creditors and lawyers regarding the execution of settlement deeds</p> <p>Attendance to settlement negotiations and liaison with the lawyers regarding same</p> <p>Maintaining detailed schedule of claims to monitor progress of recoveries and facilitate internal planning discussions</p> <p>Holding regular teleconference meetings with the lawyers to discuss the status of various claims and the likelihood of recovery</p> <p>Litigation funding</p> <p>Actions:</p> <p>Correspondence with a litigation funder regarding a request for funding of adverse costs on the preference claims</p> <p>Preparation and provision of documents to support the litigation funding request</p> <p>Negotiation and settlement of a litigation funding agreement for adverse costs</p>
	ASIC reporting	<p>Preparing supplementary s533 report</p> <p>Liaising with ASIC on general matters</p> <p>Holding regular teleconference meetings with ASIC to provide a summary of the status of various claims</p>
Administration 116.5 hours \$47,976.50	Document maintenance/file review/checklist	<p>Preparation of work stream checklists</p> <p>Filing of documents</p> <p>Categorising books and records</p> <p>Attending to storage of the Company's books and records</p>
		<p>Review invoices and supporting documents for costs incurred, including legal fees</p> <p>Regularly reviewing time costs allocated to the liquidation</p>
	Bank account administration	<p>Conducting regular bank account reconciliations</p> <p>Processing receipts and payments</p> <p>Preparing supporting documents for each transaction</p>
	ASIC Form 524 and other forms	<p>Preparing and lodging ASIC forms including a summary of receipts and payments</p> <p>Correspondence with ASIC regarding statutory forms</p>
	ATO and other statutory reporting	<p>Preparing, reviewing and lodging monthly Business Activity Statements</p> <p>Correspondence with the ATO regarding GST reporting</p>

Task Area	General Description	Includes
	Planning / Review	Preparing and attending internal work stream meetings Regular discussions and meetings regarding status of administration and planning of Liquidation work streams Planning and reviewing staffing requirements Regular managerial review of work performed

6. Calculation of remuneration

The calculation of remuneration schedules are attached at Appendix A.

7. Statement of remuneration claim

At the meeting of creditors to be held on 12 December 2016, members will be asked to consider the following resolution:

Resolution 1

“To approve the Liquidators’ remuneration for the period 1 April 2015 to 31 August 2016 of \$1,880,120.02 plus GST as detailed in the remuneration report dated 5 December 2016.”

8. Remuneration recoverable from external sources

ASIC has funded us to undertake some limited scope investigations under its AA Fund. In accordance with ASIC’s Regulatory Guide 109, we do not need approval from the committee of inspection for funding from the AA Fund unless higher fees are incurred than the amount agreed with ASIC. In this remuneration report, we have included for approval all the time costs incurred to date for the ASIC investigations. However, only time charged in excess of the ASIC funding will be payable from any recoveries of the administration.

The Liquidators have not received any funding from other external sources for the Liquidators’ remuneration.

9. 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, but must account to creditors.

We have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

The following disbursements have been incurred by the administration for the period from 1 April 2015 to 31 August 2016. These disbursements have not yet been paid.

Disbursements incurred	Total (\$)
1 April 2015 to 31 August 2016	
Externally provided professional services	
Media Relations & communication	753.75
Externally provided non-professional services	
Search Fees	877.95
Courier	2,100.33
IT Consumables – external	297.28
Postage	47.50
Postage Recharge	12.92
Telephone	11.76
Internal disbursements	
Colour Printing	2,334.70
IT Consumables – internal	141.00
IT Objective coding	3,193.62
Printing	1,199.40
Printing Colour A3	78.00
Printing BW A3	23.00
Photocopy (Colour)	255.50
Photocopy (BW)	102.70
Scanning	26.45
Total	\$11,455.86

Future disbursements provided by our firm will be charged to the administration on the following basis:

Internal Disbursements		Rate (Excl GST)
Advertising		At cost
Courier		At cost
Photocopy/Printing	Black and white	\$0.10 per page
	Colour	\$0.50 per page
	A3 – Black and white	\$0.20 per page
	A3 – Colour	\$0.60 per page
Postage		At cost
Scans		\$0.05 per page
Staff vehicle use		At prescribed ATO rates

Rates applicable as at 1 January 2016

10. Summary of receipts and payments

The summary of receipts and payments for the administration (i.e. including in respect of the Audit Claim) for the period from 1 April 2015 to 31 August 2016 is attached at Appendix B.

We lodge a detailed account of our receipts and payments with ASIC every six months with a statement of position. These are available from the public database.

11. Queries

Please contact Miranda Priddle on (03) 9269 4163 or by email on mpriddle@ppbadvisory.com should you have any queries or require any further information.

12. Information sheets

Available online is the ASIC publication 'Insolvency Information for directors, employees, creditors and shareholders', which provides an index of all the information sheets that are available including information on 'Approving fees'. You can download these forms from www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets.

Appendix A

Calculation of Remuneration

For the period 01 April 2015 to 31 August 2016

Position	\$/hours	Total Actual	Total	Creditors		Employees		Investigation - Preference Payment Claims		Administration	
	(Ex GST)	Hrs	\$	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Partner	675	421.5	284,529.47	12,635.42	18.72	540.00	0.80	263,389.05	390.21	7,965.00	11.80
Director	585	135.4	79,194.04	-	-	175.50	0.30	77,731.54	132.87	1,287.00	2.20
Senior Manager	510	1,359.0	694,579.65	23,676.11	46.42	867.00	1.70	657,847.54	1,286.97	12,189.00	23.90
Manager	465	302.1	140,476.50	558.00	1.20	139.50	0.30	137,640.00	296.00	2,139.00	4.60
Assistant Manager	445	280.3	124,740.05	3,744.55	8.41	-	-	120,639.50	271.10	356.00	0.80
Senior Analyst / Senior Consultant	395	1,432.6	565,896.63	9,302.13	23.55	-	-	539,649.00	1,366.20	16,945.50	42.90
Senior Analyst 2	380	- 176.6	- 72,492.75	-	-	-	-	- 72,948.75	- 177.75	456.00	1.20
Consultant	310	95.3	29,553.74	4,102.74	13.23	-	-	23,250.00	75.00	2,201.00	7.10
Analyst	250	18.9	4,540.56	3,164.56	12.66	-	-	826.00	4.00	550.00	2.20
Graduate	210	126.8	26,637.14	18,993.14	90.44	-	-	5,943.00	28.30	1,701.00	8.10
Undergraduate	190	1.1	209.00	-	-	-	-	38.00	0.20	171.00	0.90
Senior Bookkeeper	190	9.6	1,824.00	-	-	-	-	-	-	1,824.00	9.60
Personal Assistant	160	2.7	432.00	-	-	-	-	240.00	1.50	192.00	1.20
Total		4,008.84	1,880,120.02	76,176.64	214.64	1,722.00	3.10	1,754,244.88	3,674.60	47,976.50	116.50
GST			188,012.00	7,617.66		172.20		175,424.49		4,797.65	
Total (Including GST)			2,068,132.02	83,794.30		1,894.20		1,929,669.37		52,774.15	
Average rate (excluding GST)			469								

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

APPENDIX B - RECEIPTS AND PAYMENTS

Gunns Limited
ACN 009 478 148
(Receivers and Managers Appointed)(In Liquidation)

Receipts and Payments Summary - 1 April 2015 to 31 August 2016

RECEIPTS	\$
ASIC Assetless Administration Fund	50,129.53
Net GST received	145,195.00
Interest Income	12,449.31
Unfair preference settlements	4,587,073.32
Total Receipts	4,794,847.16
PAYMENTS	
Accounting system support	(407.00)
Appointee Disbursements	(133,178.69)
Appointee Fees	(48,836.38)
Contingent Liability	(350,724.80)
Legal Fees	(2,377,680.17)
Litigation funder's commission	(210,554.88)
Total Payments	(3,121,381.92)
Total receipts from 1/04/2015 to 31/08/2016	4,794,847.16
Total payments from 1/04/2015 to 31/08/2016	(3,121,381.92)
Net receipts to from 1/04/2015 to 31/08/2016	1,673,465.24

Remuneration report

Gunns Plantations Ltd
(Receivers and Managers
Appointed)
(In Liquidation) (the Company)
ACN 091 232 209

1. Remuneration declaration
2. Executive summary
3. Remuneration statement
4. Statement of remuneration policy
5. Description of work completed
6. Calculation of remuneration
7. Statement of remuneration claim
8. Remuneration recoverable from external sources
9. Disbursements
10. Summary of receipts and payments
11. Queries
12. Information sheets

1. Remuneration declaration

We, Daniel Bryant, Ian Carson and Craig Crosbie of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Liquidators of Gunns Plantations Ltd (Receivers and Managers Appointed) (In Liquidation) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 5th day of December 2016



Daniel Bryant, Ian Carson and Craig Crosbie
Liquidators

2. Executive summary

To date, remuneration totalling \$501,680.30 has been approved in this administration. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST)
Past remuneration approved:		
<u>Voluntary Administration</u>		
25 September 2012 to 4 March 2013		\$212,112.00
<u>Liquidation</u>		
5 March 2013 to 30 April 2014		\$91,965.80
1 May 2014 to 31 December 2014		\$77,740.50
2 October 2012 to 31 December 2014 (Insurance related tasks)		\$110,899.50
1 January 2014 to 31 December 2014 (Electing grower related tasks)		\$8,962.50
Total past remuneration approved		\$501,680.30
Current remuneration approval sought:		
<u>Liquidation</u>		
Resolution: 1 January 2015 to 31 August 2016	Appendix A	\$278,881.00

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3. Remuneration statement

Remuneration Method

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. Sometimes a practitioner will finalise an administration for a fixed fee.

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.

Method chosen

Given the nature of this administration we propose that our remuneration as Liquidators be calculated on **Hourly Rates**. This is because:

- it ensures that creditors are only charged for work that is performed.
- as Liquidators, we are required to perform a number of tasks which do not necessarily relate to realisation of assets, for example responding to creditor enquires, reporting to the Australian Securities and Investments Commission (**ASIC**) and conducting investigations and
- generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required in the administration.

Explanation of Hourly Rates

The hourly rates charged by PPB Advisory effective from 1 July 2014 are set out within this remuneration report, together with a general guide showing the qualifications and experience of staff engaged in the Administration.

The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage.

Approval and payment of Remuneration

Remuneration is approved by a resolution of the creditors, a creditors' committee or a court.

Future remuneration is approved subject to a maximum or cap. Sometimes, the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

4. Statement of remuneration policy

Insolvency Practitioners, in common with many professions, have traditionally charged for work done on the basis of hourly rates.

PPB Advisory supports the Code of Professional Practice for Insolvency Practitioners. In all matters undertaken by us we seek to charge an appropriate level of fees and expenses. They should be appropriate for us having regard to the complexity and demands of each assignment, and appropriate for our clients having regard to their objectives in seeking our assistance.

Accordingly, at all times when seeking approval for remuneration we will provide the following details:

- type of work undertaken by the Appointees and the firm's staff
- breakdown of the activity undertaken
- relevant experience of each person
- number of hours charged by each person
- hourly rate charged for each person
- total remuneration claimed
- basis of recovering disbursements.

A schedule detailing our rates to apply to administrations for the period commencing 1 July 2014 is set out below, together with general details of Staff Classifications.

Staff category	Charge rate (\$ per hour)
Partner	675.00
Director	585.00
Senior Manager	510.00
Manager	465.00
Assistant Manager	445.00
Senior Analyst / Senior Consultant	395.00
Senior Analyst 2	380.00
Consultant	310.00
Analyst	250.00
Graduate	210.00
Undergraduate	190.00
Senior Bookkeeper	190.00
Executive Assistant	160.00

PPB Advisory Classifications

Position	Guide to level of experience and qualifications
Partner	Registered Liquidator, Official Liquidator and/or Trustee, bringing his or her specialist skills to the administration.
Director	Generally, minimum of 12 years' experience, at least five years at manager level. Extensive technical knowledge and capable of controlling all aspects of an administration. May be qualified to take appointments in his/her own right.
Senior Manager	Generally, more than seven years' experience and three years at manager level. Broad technical knowledge and capable of managing medium to large assignments.
Manager	Five to seven years' experience. Well-developed technical and commercial skills. Capable of managing medium client assignments and parts of larger client files. Supervises one to four staff.
Assistant Manager	Three to six years' experience. Capable of managing minor administrations and assists with planning and management of medium to large assignments. Supervises teams of between one to three staff.
Senior Analyst / Senior Consultant	One to four years' experience, Completion of CA Program (or equivalent) during this period. Assists planning and manages small to medium assignments as well as performing some of the more difficult work on larger jobs.
Analyst / Consultant	None to two years. Graduate with minimal professional experience. Required to assist in day to day tasks under supervision of more senior staff.
Graduate	Graduate with little or no experience. Required to assist in day to day tasks under supervision of more senior staff.
Undergraduate	Completed high school and plans to undertake a degree/diploma. Required to assist in administration and day to day tasks under supervision of more senior staff.
Bookkeeper	Generally commercial experience gained in bookkeeping. Required to prepare and process accounts and statutory tasks.
Executive Assistant	Appropriate skills including machine usage and customer service, general administration duties on jobs.

The above is taken as a general guide only. From time to time, there may be persons employed who, because of their skills and experience, are employed in positions where they may not necessarily meet all of the above qualifications.

5. Description of work completed

Resolution

Summary of work undertaken by Daniel Bryant, Ian Carson and Craig Crosbie Liquidators of the Company and their staff for the period from 1 January 2015 to 31 August 2016

Task Area	General Description	Includes
Creditors 71.2 hours \$30,387.50	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of inspection members
	Secured creditor reporting	General liaison with the Company's Receivers and Managers on the progress of the liquidation via email and telephone correspondence
	Creditor reports	Preparing and issuing 2015 and 2016 annual reports to creditors Preparing reports for the Committee of Inspection (COI) issued in February 2015 and June 2015
	Meeting of Creditors	Preparation of meeting notices and proxies for COI meetings held in February 2015 and June 2015 Preparation and chairing COI meetings Preparation and lodgement of minutes of COI meetings with ASIC
Investigation 55.9 hours \$21,604.50	Conducting investigation	Reconcile funds held in 27 pre-appointment custodian scheme bank accounts, including: <ul style="list-style-type: none"> locating and review of Company records to substantiate the source of the funds held in the bank accounts Determination of title to the funds held in the scheme bank accounts, including: <ul style="list-style-type: none"> review of Company records to assist determine the title to the funds issuing instructions to lawyers for advice on title to the funds negotiations with the Receivers and Managers for the release of the funds Preparation of relevant documentations to effect the release of funds
	ASIC reporting	Responding to enquiries raised by ASIC around the Australian Financial Services Licence (AFSL) held by the Company Attending to cancellation of the AFSL Holding regular teleconference meetings with ASIC to provide an update on the progress of the liquidation

Task Area	General Description	Includes
Administration 640.1 hours \$226,889.00	Document maintenance/file review/checklist	Preparation of weekly work stream checklists Review and amending weekly task checklists, Filing of documents Cataloguing of the Company's books and records Attending to storage of the Company's books and records
	Insurance	Settlement of claims for fire damage (2012 and early 2013) (\$544,121.50) <u>Quantification of loss</u> Engaged an independent forestry expert to conduct an assessment of damage / loss to woodlots Attended to enquiries from the expert and provision of Company records Review of the final report and subsequent discussions with the expert <u>Settlement of claims</u> Issued instruction to lawyers regarding settlement of claims Assessment of insurer's settlement proposals Concluded negotiations with insurer to agree the formulas and values to calculate loss per woodlot Review and finalisation of settlement agreements Reconciled amounts received from the insurer to actual loss per woodlot. Determined shortfalls of the payout value to the loss value by woodlot Issued notices to the insurer for payment of shortfall Calculate insurance proceed entitlement per woodlot (c.560 woodlots). <u>Preparation for the distribution of the insurance proceeds</u> Reconciled the woodlots to the appropriate scheme (xxx) and woodlot investors (xxx) Drafted and issued letters and emails to woodlot investors providing an update on the progress of the insurance claims and payout Calculation of fees payable to the responsible entity relevant to the insurance claims
	Liquidation funds management	Conduct of treasury duties, including: <ul style="list-style-type: none"> determination of the entitlement of the various schemes to funds received from the sale of assets (trees) (over 350 transactions) transfer of the sale proceeds to the relevant scheme bank accounts (39 accounts) Ongoing reconciliations of funds held by the Company and amounts payable to the various schemes Update cash position summary

Task Area	General Description	Includes
		Review invoices and supporting documents for costs incurred, including legal fees Allocation of costs, including the Liquidators' costs, between the Company and the schemes
	Bank account administration	Conducting regular bank account reconciliations Processing receipts and payments Preparing supporting documents for each transaction
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including a summary of receipts and payments Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparing, reviewing and lodging monthly Business Activity Statements Correspondence with the ATO regarding GST reporting related issues Following up the ATO in respect of GST refunds outstanding
	Planning / Review	Preparing and attending internal weekly work stream meetings Regular discussions and meetings regarding status of administration and planning of Liquidation work streams Planning and reviewing staffing requirements Regular managerial review of work performed

6. Calculation of remuneration

The calculation of remuneration schedules are attached at Appendix A.

7. Statement of remuneration claim

At the meeting of creditors to be held on 12 December 2016, creditors will be asked to consider the following resolution:

Resolution

"To approve the Liquidators' remuneration for the period 1 January 2015 to 31 August 2016 of \$278,881.00 plus GST as detailed in the remuneration report dated 5 December 2016."

8. Remuneration recoverable from external sources

The Liquidators have not received any funding from external sources for the Liquidators' remuneration.

9. 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, but must account to creditors.

We have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

The following disbursements have been incurred by the administration for the period from 1 January 2015 to 31 August 2016. These disbursements have not yet been paid

Disbursements incurred	Total (\$)
1 January 2015 to 31 August 2016	
Externally provided non-professional services	
Postage	57.03
Postage Recharge	9.32
Travel Expenses	106.26
Storage	578.77
Stationery	727.96
Kilometres Travelled	31.05
Courier	12.89
Internal disbursements	
Printing	123.44
Scanning	25.40
Photocopy (BW)	21.59
Colour Printing	109.80
Printing BW A3	8.52
Printing Colour A3	8.12
Photocopy (Colour)	2.66
Printing (Colour)	287.97
IT Consumables - external	314.15
Total	\$2,424.92

Future disbursements provided by our firm will be charged to the administration on the following basis:

Internal Disbursements		Rate (Excl GST)
Advertising		At cost
Courier		At cost
Photocopy/Printing	Black and white	\$0.10 per page
	Colour	\$0.50 per page
	A3 – Black and white	\$0.20 per page
	A3 – Colour	\$0.60 per page
Postage		At cost
Scans		\$0.05 per page
Staff vehicle use		At prescribed ATO rates

Rates applicable as at 1 January 2016

10. Summary of receipts and payments

The summary of receipts and payments for the period from 1 January 2015 to 31 August 2016 is attached at Appendix B.

Pursuant to section 539(5) details of all receipts and payments made since our appointment up to 4 September 2016 have been lodged with ASIC. These are available from the public database.

11. Queries

Please contact Miranda Priddle on (03) 9269 4163 or by email on mpriddle@ppbadvisory.com should you have any queries or require any further information.

12. Information sheets

Available online is the ASIC publication 'Insolvency Information for directors, employees, creditors and shareholders', which provides an index of all the information sheets that are available including information on 'Approving fees'. You can download these forms from www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Appendix A

Position	\$/hours	Total Actual	Total	Creditors		Investigation		Administration	
	(Ex GST)	Hrs	\$	\$	Hrs	\$	Hrs	\$	Hrs
Partner	675	16.7	11272.5	6,615.00	9.8	675.00	1.0	3,982.50	5.9
Director	585	2.4	1404.0	526.50	0.9			877.50	1.5
Senior Manager	510	82.2	41922.0	12,597.00	24.7	6,222.00	12.2	23,103.00	45.3
Manager	465	96.0	44640.0			1,627.50	3.5	43,012.50	92.5
Assistant Manager	445	108.2	48149.0	178.00	0.4	3,782.50	8.5	44,188.50	99.3
Senior Analyst	395	115.7	45701.5	79.00	0.2	6,201.50	15.7	39,421.00	99.8
Consultant	310	137.6	42656.0	9,300.00	30.0	620.00	2.0	32,736.00	105.6
Analyst	250	24.5	6125.0					6,125.00	24.5
Graduate	210	104.2	21882.0	1,092.00	5.2	63.00	0.3	20,727.00	98.7
Undergraduate	190	25.4	4826.0			2,413.00	12.7	2,413.00	12.7
Senior Bookkeeper	190	54.1	10279.0					10,279.00	54.1
Administration	120	0.2	24.0					24.00	0.2
Total		767.2	278,881.00	30,387.50	71.2	21,604.50	55.9	226,889.00	640.1
GST			27,888.10	3,038.75		2,160.45		22,688.90	
Total (Including GST)			306,769.10	33,426.25		23,764.95		249,577.90	
Average rate (excluding GST)			364						

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A *Creditor Information Sheet* containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

APPENDIX B - RECEIPTS AND PAYMENTS

Gunns Plantations Limited

ACN 091 232 209

(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payments Summary- 1 January 2015 to 31 August 2016

RECEIPTS - Liquidation	\$
Funding received for services provided (e.g. subpoena costs, information preparation costs, etc.)	36,762.48
Interest income	1,234.82
 RECEIPTS - Scheme	
Funds held in pre-appointment custodian accounts	2,557,667.86
Harvest proceeds	4,227,897.95
Insurance claims payout	549,855.55
Interest income	3,649,851.47
Sale of MIS resources	2,797,251.76
 Net GST received	1,637,975.37
Total Receipts	15,458,497.26
 PAYMENTS - Liquidation	\$
Appointee fees	(207,504.00)
Bank charges	(514.10)
Refund of insurance payment	(17.34)
Wages & salaries	(971.00)
Printing & stationery	(1,680.76)
 PAYMENTS - Scheme	
Advertising	(5,230.62)
Appointee disbursements	(231,043.01)
Appointee fees	(7,377,249.70)
Bank charges	(500.00)
Interveners costs	(141,930.27)
Distribution services costs	(302,483.04)
Document storage	(962.50)
Filing fees	(608.00)
Harvest proceeds paid to landowners	(1,516,470.78)
Independent expert fees	(442,334.36)
Harvesting Insurance	(15,795.16)
IT services	(3,255.25)
Legal fees	(2,755,733.52)
MIS maintenance costs	(3,541,100.59)
Printing & stationery	(12,045.48)
Rent & rates	(5,280.00)
Staff reimbursements	(145.66)
Stamp duty	(1,518.23)
Storage	(12,320.00)
Subcontractors	(3,476.00)

Tax advice - consulting fees	(383,875.80)
Telephone & fax	(2,156.74)
Net GST paid	(41,795.08)
Total Payments	<u>(17,007,996.99)</u>
Total receipts from 01/01/2015 to 31/08/2016	15,458,497.26
Total payments from 01/01/2015 to 31/08/2016	<u>(17,007,996.99)</u>
Net payments from 01/01/2015 to 31/08/2016	<u>(1,549,499.73)</u>

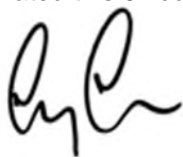
Remuneration report
S.E.A.S. Sapfor Investment
Services Pty Ltd
ACN 008 164 289
(Receivers and Managers
Appointed)
(In Liquidation) (the Company)

1. Remuneration declaration
2. Executive summary
3. Remuneration statement
4. Statement of remuneration policy
5. Description of work completed
6. Calculation of remuneration
7. Statement of remuneration claim
8. Remuneration recoverable from external sources
9. Disbursements
10. Summary of receipts and payments
11. Queries
- Information sheets

1. Remuneration declaration

We, Daniel Bryant, Craig Crosbie and Ian Carson of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Liquidators of Auspine Limited (Receivers & Managers Appointed) (In Liquidation) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 5th day of December 2016



Daniel Bryant, Craig Crosbie and Ian Carson
Liquidators

2. Executive summary

Remuneration of \$8,721.35 has previously been approved. To date, no remuneration has been paid for the administration. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST)
Past remuneration approved:		
25 September 2012 to 4 March 2013		\$6,678.37
5 March 2013 to 31 March 2015		\$2,042.98
Total past remuneration approved		\$8,721.35
Current remuneration approval sought:		
Resolution: 1 April 2015 to 31 August 2016	Appendix A	\$9,038.47

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3. Remuneration statement

Remuneration Method

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. Sometimes a practitioner will finalise an administration for a fixed fee.

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.

Method chosen

Given the nature of this administration we propose that our remuneration as Liquidators be calculated on **Hourly Rates**. This is because:

- it ensures that creditors are only charged for work that is performed.
- as Liquidators, we are required to perform a number tasks which do not necessarily relate to realisation of assets, for example responding to creditor enquires, reporting to the Australian Securities and Investments Commission (**ASIC**) and conducting investigations and
- generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required in the administration.

Explanation of Hourly Rates

The hourly rates charged by PPB Advisory effective from 1 July 2014 are set out within this remuneration report, together with a general guide showing the qualifications and experience of staff engaged in the Administration.

The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage.

Approval and payment of Remuneration

Remuneration is approved by a resolution of the creditors, a creditors' committee or a court.

Future remuneration is approved subject to a maximum or cap. Sometimes, the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

4. Statement of remuneration policy

Restructuring Corporate Rate

Insolvency Practitioners, in common with many professions, have traditionally charged for work done on the basis of hourly rates.

PPB Advisory supports the Code of Professional Practice for Insolvency Practitioners. In all matters undertaken by us we seek to charge an appropriate level of fees and expenses. They should be appropriate for us having regard to the complexity and demands of each assignment, and appropriate for our clients having regard to their objectives in seeking our assistance.

Accordingly, at all times when seeking approval for remuneration we will provide the following details:

- type of work undertaken by the Appointees and the firm's staff
- breakdown of the activity undertaken
- relevant experience of each person
- number of hours charged by each person
- hourly rate charged for each person
- total remuneration claimed
- basis of recovering disbursements.

A schedule detailing our rates to apply to administrations for the period commencing 1 July 2014 is set out below, together with general details of staff classifications.

Staff category	Charge rate (\$ per hour)
Partner	675.00
Director	585.00
Senior Manager	510.00
Manager	465.00
Assistant Manager	445.00
Senior Analyst / Senior Consultant	395.00
Senior Analyst 2	380.00
Consultant	310.00
Analyst	250.00
Graduate	210.00
Undergraduate	190.00
Senior Bookkeeper	190.00
Executive Assistant	160.00

PPB Advisory Classifications

Position	Guide to level of experience and qualifications
Partner	Registered Liquidator, Official Liquidator and/or Trustee, bringing his or her specialist skills to the administration.
Director	Generally, minimum of 12 years' experience, at least five years at manager level. Extensive technical knowledge and capable of controlling all aspects of an administration. May be qualified to take appointments in his/her own right.
Senior Manager	Generally, more than seven years' experience and three years at manager level. Broad technical knowledge and capable of managing medium to large assignments.
Manager	Five to seven years' experience. Well-developed technical and commercial skills. Capable of managing medium client assignments and parts of larger client files. Supervises one to four staff.
Assistant Manager	Three to six years' experience. Capable of managing minor administrations and assists with planning and management of medium to large assignments. Supervises teams of between one to three staff.
Senior Analyst / Senior Consultant	One to four years' experience, Completion of CA Program (or equivalent) during this period. Assists planning and manages small to medium assignments as well as performing some of the more difficult work on larger jobs.
Analyst / Consultant	None to two years. Graduate with minimal professional experience. Required to assist in day to day tasks under supervision of more senior staff.
Graduate	Graduate with little or no experience. Required to assist in day to day tasks under supervision of more senior staff.
Undergraduate	Completed high school and plans to undertake a degree/diploma. Required to assist in administration and day to day tasks under supervision of more senior staff.
Bookkeeper	Generally commercial experience gained in bookkeeping. Required to prepare and process accounts and statutory tasks.
Executive Assistant	Appropriate skills including machine usage and customer service, general administration duties on jobs.

The above is taken as a general guide only. From time to time, there may be persons employed who, because of their skills and experience, are employed in positions where they may not necessarily meet all of the above qualifications.

5. Description of work completed

Resolution

Summary of work undertaken by Daniel Bryant, Craig Crosbie and Ian Carson, Liquidators of the Company and their staff for the period from 1 April 2015 to 31 August 2016

Task Area	General Description	Includes
Creditors 8.98 hours \$4,190.97	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of inspection members
	Creditor reports	Preparing and issuing 2015 and 2016 annual reports to creditors Preparing reports for Committee of Inspection (COI) issued in June 2015 and September 2015
	Meeting of Creditors	Preparation of meeting notices and proxies for COI meetings held in June 2015 and September 2015 Preparation for and attendance at COI meetings Preparation and lodgement of minutes of COI meetings with ASIC
Investigation 4.20 hours \$2,653.50	ASIC reporting	Preparing statutory investigation reports
Administration 5.20 hours \$2,194.00	Document maintenance/file review/checklist	Filing of documents Updating checklists Categorising books and records
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including a summary of receipts and payments
	Planning / Review	Discussions regarding status of administration and planning of Liquidation work streams Planning and reviewing staffing requirements Managerial review of work performed Preparation of remuneration reports

6. Calculation of remuneration

The calculation of remuneration schedules are attached at Appendix A.

7. Statement of remuneration claim

At the meeting of creditors to be held on 12 December 2016, creditors will be asked to consider the following resolutions:

Resolution 1

"To approve the Liquidators' remuneration for the period 1 April 2015 to 31 August 2016 of \$9,038.47 plus GST as detailed in the remuneration report dated 5 December 2016."

8. Remuneration recoverable from external sources

The Liquidators have not received any funding from external sources for the Liquidators' remuneration.

9. Disbursements

We are not claiming disbursements in this administration.

10. Summary of receipts and payments

There have been no receipts and payments to date in this administration.

11. Queries

Please contact Miranda Priddle on (03) 9269 4163 or by email on mpriddle@ppbadvisory.com should you have any queries or require any further information.

12. Information sheets

Available online is the ASIC publication 'Insolvency Information for directors, employees, creditors and shareholders', which provides an index of all the information sheets that are available including information on 'Approving fees'. You can download these forms from www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets.

Appendix A

Position	\$/hours	Total Actual	Total	Creditors		Investigation		Administration	
	(Ex GST)	Hrs	\$	\$	Hrs	\$	Hrs	\$	Hrs
Partner	675	3.6	2,450.0	19.97	0.03	2,092.50	3.10	337.50	0.50
Director	585	0.6	351.0	351.00	0.60	-	-	-	-
Senior Manager	510	7.4	3,760.9	3,199.90	6.27	561.00	1.10	-	-
Assistant Manager	445	0.0	13.9	13.89	0.03				
Senior Analyst / Senior Consultant	395	5.1	2,011.2	154.69	0.39	-	-	1,856.50	4.70
Consultant	310	1.0	317.4	317.41	1.02	-	-	-	-
Analyst	250	0.1	13.0	12.97	0.05				
Graduate	210	0.6	121.1	121.14	0.58	-	-	-	-
Total		18.38	9,038.47	4,190.97	8.98	2,653.50	4.20	2,194.00	5.20
GST			903.85	419.10		265.35		219.40	
Total (Including GST)			9,942.32	4,610.07		2,918.85		2,413.40	
Average rate (excluding GST)			492						

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>



Remuneration report

Auspine Limited
ACN 004 289 730
(Receivers and Managers
Appointed)
(In Liquidation) (the Company)

1. Remuneration declaration
2. Executive summary
3. Remuneration statement
4. Statement of remuneration policy
5. Description of work completed
6. Calculation of remuneration
7. Statement of remuneration claim
8. Remuneration recoverable from external sources
9. Disbursements
10. Summary of receipts and payments
11. Queries
12. Information sheets

1. Remuneration declaration

We, Daniel Bryant, Craig Crosbie and Ian Carson of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Liquidators of Auspine Limited (Receivers & Managers Appointed) (In Liquidation) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 5th day of December 2016



Daniel Bryant, Craig Crosbie and Ian Carson
Liquidators

2. Executive summary

Remuneration of \$10,060.35 has previously been approved. To date, no remuneration has been paid for the administration. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST)
Past remuneration approved:		
25 September 2012 to 4 March 2013		\$7,092.37
5 March 2013 to 31 March 2015		\$2,967.98
Total past remuneration approved		\$10,060.35
Current remuneration approval sought:		
Resolution: 1 April 2015 to 31 August 2016	Appendix A	\$2,319.44

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3. Remuneration statement

Remuneration Method

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. Sometimes a practitioner will finalise an administration for a fixed fee.

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.

Method chosen

Given the nature of this administration we propose that our remuneration as Liquidators be calculated on **Hourly Rates**. This is because:

- it ensures that creditors are only charged for work that is performed.
- as Liquidators, we are required to perform a number tasks which do not necessarily relate to realisation of assets, for example responding to creditor enquires, reporting to the Australian Securities and Investments Commission (**ASIC**) and conducting investigations and
- generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required in the administration.

Explanation of Hourly Rates

The hourly rates charged by PPB Advisory effective from 1 July 2014 are set out within this remuneration report, together with a general guide showing the qualifications and experience of staff engaged in the Administration.

The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage.

Approval and payment of Remuneration

Remuneration is approved by a resolution of the creditors, a creditors' committee or a court.

Future remuneration is approved subject to a maximum or cap. Sometimes, the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

4. Statement of remuneration policy

Restructuring Corporate Rate

Insolvency Practitioners, in common with many professions, have traditionally charged for work done on the basis of hourly rates.

PPB Advisory supports the Code of Professional Practice for Insolvency Practitioners. In all matters undertaken by us we seek to charge an appropriate level of fees and expenses. They should be appropriate for us having regard to the complexity and demands of each assignment, and appropriate for our clients having regard to their objectives in seeking our assistance.

Accordingly, at all times when seeking approval for remuneration we will provide the following details:

- type of work undertaken by the Appointees and the firm's staff
- breakdown of the activity undertaken
- relevant experience of each person
- number of hours charged by each person
- hourly rate charged for each person
- total remuneration claimed
- basis of recovering disbursements.

A schedule detailing our rates to apply to administrations for the period commencing 1 July 2014 is set out below, together with general details of staff classifications.

Staff category	Charge rate (\$ per hour)
Partner	675.00
Director	585.00
Senior Manager	510.00
Manager	465.00
Assistant Manager	445.00
Senior Analyst / Senior Consultant	395.00
Senior Analyst 2	380.00
Consultant	310.00
Analyst	250.00
Graduate	210.00
Undergraduate	190.00
Senior Bookkeeper	190.00
Executive Assistant	160.00

PPB Advisory Classifications

Position	Guide to level of experience and qualifications
Partner	Registered Liquidator, Official Liquidator and/or Trustee, bringing his or her specialist skills to the administration.
Director	Generally, minimum of 12 years' experience, at least five years at manager level. Extensive technical knowledge and capable of controlling all aspects of an administration. May be qualified to take appointments in his/her own right.
Senior Manager	Generally, more than seven years' experience and three years at manager level. Broad technical knowledge and capable of managing medium to large assignments.
Manager	Five to seven years' experience. Well-developed technical and commercial skills. Capable of managing medium client assignments and parts of larger client files. Supervises one to four staff.
Assistant Manager	Three to six years' experience. Capable of managing minor administrations and assists with planning and management of medium to large assignments. Supervises teams of between one to three staff.
Senior Analyst / Senior Consultant	One to four years' experience, Completion of CA Program (or equivalent) during this period. Assists planning and manages small to medium assignments as well as performing some of the more difficult work on larger jobs.
Analyst / Consultant	None to two years. Graduate with minimal professional experience. Required to assist in day to day tasks under supervision of more senior staff.
Graduate	Graduate with little or no experience. Required to assist in day to day tasks under supervision of more senior staff.
Undergraduate	Completed high school and plans to undertake a degree/diploma. Required to assist in administration and day to day tasks under supervision of more senior staff.
Bookkeeper	Generally commercial experience gained in bookkeeping. Required to prepare and process accounts and statutory tasks.
Personal Assistant	Appropriate skills including machine usage and customer service, general administration duties on jobs.

The above is taken as a general guide only. From time to time, there may be persons employed who, because of their skills and experience, are employed in positions where they may not necessarily meet all of the above qualifications.

5. Description of work completed

Resolution

Summary of work undertaken by Daniel Bryant, Craig Crosbie and Ian Carson, Liquidators of the Company and their staff for the period from 1 April 2015 to 31 August 2016

Task Area	General Description	Includes
Creditors 0.17 hours \$60.94	Creditor Enquiries	Deal with creditor enquiries via telephone Correspondence with committee of inspection members
	Creditor reports	Preparing and issuing 2015 and 2016 annual reports to creditors Preparing reports for Committee of Inspection (COI) issued in June 2015 and September 2015
	Meeting of Creditors	Preparation of meeting notices and proxies for COI meetings held in June 2015 and September 2015 Preparation for and attendance at COI meetings Preparation and lodgement of minutes of COI meetings with ASIC
Administration 6.20 hours \$2,258.50	Document maintenance/file review/checklist	Filing of documents Updating checklists Categorising books and records
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including a summary of receipts and payments
	Planning / Review	Discussions regarding status of administration and planning of Liquidation work streams Planning and reviewing staffing requirements Managerial review of work performed Preparation of remuneration reports

6. Calculation of remuneration

The calculation of remuneration schedules are attached at Appendix A.

7. Statement of remuneration claim

At the meeting of creditors to be held on 12 December 2016, creditors will be asked to consider the following resolutions:

Resolution 1

"To approve the Liquidators' remuneration for the period 1 April 2015 to 31 August 2016 of \$2,319.44 plus GST as detailed in the remuneration report dated 5 December 2016."

8. Remuneration recoverable from external sources

The Liquidators have not received any funding from external sources for the Liquidators' remuneration.

9. Disbursements

We are not claiming disbursements in this administration.

10. Summary of receipts and payments

There have been no receipts and payments to date in this administration.

11. Queries

Please contact Miranda Priddle on (03) 9269 4163 or by email on mpriddle@ppbadvisory.com should you have any queries or require any further information.

12. Information sheets

Available online is the ASIC publication 'Insolvency Information for directors, employees, creditors and shareholders', which provides an index of all the information sheets that are available including information on 'Approving fees'. You can download these forms from www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets.

Appendix A

Position	\$/hours	Total Actual	Total	Creditors		Administration	
	(Ex GST)	Hrs	\$	\$	Hrs	\$	Hrs
Partner	675	0.01	5.13	5.13	0.01	-	-
Director	585	-	-	-	-	-	-
Senior Manager	510	0.04	22.81	22.81	0.04	-	-
Manager	465	0.50	232.50	-	-	232.50	0.50
Assistant Manager	445	0.01	3.56	3.56	0.01	-	-
Senior Analyst / Senior Consultant	395	4.62	1,826.29	9.29	0.02	1,817.00	4.60
Senior Analyst 2	380	-	-	-	-	-	-
Consultant	310	0.01	1.90	1.90	0.01	-	-
Analyst	250	0.01	3.33	3.33	0.01	-	-
Graduate	210	0.07	14.92	14.92	0.07	-	-
Undergraduate	190	-	-	-	-	-	-
Senior Bookkeeper	190	1.10	209.00	-	-	209.00	1.10
Personal Assistant	160	-	-	-	-	-	-
Total		6.37	2,319.44	60.94	0.17	2,258.50	6.20
GST			231.94	6.09		225.85	
Total (Including GST)			2,551.38	67.03		2,484.35	
Average rate (excluding GST)			364				

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>



Remuneration report Gunns Limited - Audit Claim ACN 009 478 148 (Receivers and Managers Appointed) (In Liquidation) (the Company)

1. Remuneration declaration
2. Executive summary
3. Remuneration statement
4. Statement of remuneration policy
5. Description of work completed
6. Description of work to be completed
7. Calculation of remuneration
8. Statement of remuneration claim
9. Remuneration recoverable from external sources
10. Disbursements
11. Summary of receipts and payments
12. Queries
13. Information sheets

1. Remuneration declaration

We, Daniel Bryant, Craig Crosbie and Ian Carson of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Liquidators of Gunns Limited (Receivers & Managers Appointed) (In Liquidation) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 5th day of December 2016



Daniel Bryant, Craig Crosbie and Ian Carson
Liquidators

2. Executive summary

This remuneration report details approval sought for the fees relating to the claim against KPMG (**Audit Claim**) identified by the Liquidators:

Period	Report Reference	Amount (ex GST)
Past remuneration approved: Not applicable		
Option A 1 April 2015 to 30 November 2016 at hourly fees calculated on a time basis at the rate of 60% (i.e. \$717,673.20 x .6) 1 December 2016 to 30 June 2017 at hourly fees calculated on a time basis at the rate of 60% to a maximum of \$450,000 (i.e. \$750,000 x .6) and Subject to the Court's determination, from the Audit Claim Recoveries (as defined in the accompanying report to Committee of Inspection members dated 5 December 2016): <ul style="list-style-type: none">the unpaid 40% of hourly fees referable to those calculated above; andan amount calculated and fixed in a percentage of no more than 5 per cent of the Audit Claim Recoveries (Fee Uplift)	Resolution 1 Resolution 1.1 Resolution 1	\$430,603.92 \$450,000.00 40% of unpaid hourly fees Fee Uplift

Or, alternatively:		
Option B		
1 April 2015 to 30 November 2016 at hourly fees calculated on a time basis	Resolution 2	\$717,673.20
1 December 2016 to 30 June 2017 at hourly fees calculated on a time basis to a maximum of \$750,000	Resolution 2.2	\$750,000

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3. Remuneration statement

Remuneration Method

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. Sometimes a practitioner will finalise an administration for a fixed fee.

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.

Methods chosen

Given the nature of this administration we propose that our remuneration as Liquidators be calculated on both **Hourly Rates** and **Percentage** of the Audit Claim Recoveries. This is because Hourly Rates:

- ensure that creditors are only charged for work that is performed;
- generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required.

We believe a **Percentage** of the Audit Claim Recoveries is appropriate because it remunerates the Liquidators for the results achieved for creditors rather than solely on an hourly basis. By accepting reduced remuneration under the **Hourly Rate** model until Audit Claim Recoveries (if any) are made, the Liquidators assume significant risk compared to being paid full hourly rates throughout.

Explanation of Hourly Rates

The hourly rates charged by PPB Advisory effective from 1 July 2014 are set out within this remuneration report, together with a general guide showing the qualifications and experience of staff engaged in the Administration.

The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage.

Approval and payment of Remuneration

Remuneration is approved by a resolution of the creditors, a creditors' committee or a court.

Future remuneration is approved subject to a maximum or cap. Sometimes, the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval. Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

4. Statement of remuneration policy

Restructuring Corporate Rate

Insolvency Practitioners, in common with many professions, have traditionally charged for work done on the basis of hourly rates.

PPB Advisory supports the Code of Professional Practice for Insolvency Practitioners. In all matters undertaken by us we seek to charge an appropriate level of fees and expenses. They should be appropriate for us having regard to the complexity and demands of each assignment, and appropriate for our clients having regard to their objectives in seeking our assistance.

Accordingly, at all times when seeking approval for remuneration we will provide the following details:

- type of work undertaken by the Appointees and the firm's staff
- breakdown of the activity undertaken
- relevant experience of each person
- number of hours charged by each person
- hourly rate charged for each person
- total remuneration claimed
- basis of recovering disbursements.

A schedule detailing our rates to apply to administrations for the period commencing 1 July 2014 is set out below, together with general details of staff classifications.

Staff category	Charge rate (\$ per hour)
Partner	675.00
Director	585.00
Senior Manager	510.00
Manager	465.00
Assistant Manager	445.00
Senior Analyst / Senior Consultant	395.00
Senior Analyst 2	380.00
Consultant	310.00
Analyst	250.00
Graduate	210.00
Undergraduate	190.00
Senior Bookkeeper	190.00
Executive Assistant	160.00

PPB Advisory Classifications

Position	Guide to level of experience and qualifications
Partner	Registered Liquidator, Official Liquidator and/or Trustee, bringing his or her specialist skills to the administration.
Director	Generally, minimum of 12 years' experience, at least five years at manager level. Extensive technical knowledge and capable of controlling all aspects of an administration. May be qualified to take appointments in his/her own right.
Senior Manager	Generally, more than seven years' experience and three years at manager level. Broad technical knowledge and capable of managing medium to large assignments.
Manager	Five to seven years' experience. Well-developed technical and commercial skills. Capable of managing medium client assignments and parts of larger client files. Supervises one to four staff.
Assistant Manager	Three to six years' experience. Capable of managing minor administrations and assists with planning and management of medium to large assignments. Supervises teams of between one to three staff.
Senior Analyst / Senior Consultant	One to four years' experience, Completion of CA Program (or equivalent) during this period. Assists planning and manages small to medium assignments as well as performing some of the more difficult work on larger jobs.
Analyst / Consultant	None to two years. Graduate with minimal professional experience. Required to assist in day to day tasks under supervision of more senior staff.
Graduate	Graduate with little or no experience. Required to assist in day to day tasks under supervision of more senior staff.
Undergraduate	Completed high school and plans to undertake a degree/diploma. Required to assist in administration and day to day tasks under supervision of more senior staff.
Bookkeeper	Generally commercial experience gained in bookkeeping. Required to prepare and process accounts and statutory tasks.
Executive Assistant	Appropriate skills including machine usage and customer service, general administration duties on jobs.

The above is taken as a general guide only. From time to time, there may be persons employed who, because of their skills and experience, are employed in positions where they may not necessarily meet all of the above qualifications.

5. Description of work completed

Summary of work undertaken by Daniel Bryant, Craig Crosbie and Ian Carson, Liquidators of the Company and their staff for the period from 1 April 2015 to 30 November 2016 relating to the Audit Claim only.

Task Area	General Description	Includes
Investigations (Audit Claim) \$717,673.20 1,459.2 hours	Conducting investigation	<p>Actions:</p> <p>Conducting investigations for the purpose of determining and substantiating a claim against the Company's auditor for negligence and the consequential losses suffered by the Company, including:</p> <ul style="list-style-type: none"> • review of the Company's correspondence with the auditor, including emails and the auditor's reports to management • obtain and review the books and records of the Company's auditor including the auditor's work papers • identification of potential breaches of duties by the auditor • identification of heads of loss as a consequence of the auditor's negligence • calculation and substantiation of identified losses • development of a timeline of events to assist with the preparation of a claim • liaison with lawyers on the information required to establish potential claims • conducting numerous searches of the document management system to locate specific information to support the claim against the auditor <p>Attending regular internal strategy meetings regarding progress of the auditor claim</p> <p>Preparing and maintaining investigation files</p>

Task Area	General Description	Includes
	Conducting Examinations	<p>Public examination</p> <p>Actions:</p> <p>Instructions to the Liquidators' lawyers to issue summonses to the auditor to produce audit records</p> <p>Preparation for and participation at the public examination of the auditor and one member of his staff, including:</p> <ul style="list-style-type: none"> • instructions to the Liquidators' lawyers to issue summonses on the auditor and one member of staff to attend a public examination pursuant to S596A of the Act • review and affirmation of affidavits for the conduct of the public examinations • attending various internal meetings to discuss the public examinations strategy • attending various meetings and discussions with our lawyers in preparation for the public examinations • preparation of questions and identification of information sought from the public examinations <p>Attendance at two public examinations</p> <p>Reviewing and analysing transcripts and other evidence obtained from the public examinations</p>
	Litigation / Recoveries	<p>Legal proceedings</p> <p>Issue instructions to the Liquidators' lawyers to commence proceedings against the auditor</p> <p>Review and correspond with the Liquidators' lawyers regarding the drafting of the statement of claim and substantiation of the claimed losses</p> <p>Litigation funding</p> <p>Actions:</p> <p>Correspondence with a litigation funder regarding a request for funding of litigation costs regarding the audit claim</p> <p>Preparation and provision of documents to support the litigation funding request</p> <p>Negotiation and settlement of a litigation funding agreement for adverse costs</p> <p>Reviewing terms of litigation funding and liaising with our lawyers regarding contractual requirements</p> <p>Preparation and provision of documents to support the litigation funding request</p>

6. Description of work to be completed

Summary of work to be undertaken, if applicable, and relating to the Audit Claim only by Daniel Bryant, Craig Crosbie and Ian Carson, Liquidators of the Company and their staff for the period from 1 December 2016 to 30 June 2017

Task Area	General Description	Includes
Investigations (Audit Claim) \$750,000 1,668.4 hours	Investigations	Liaison and instruction of lawyers as required Preparation of investigation files to support claims Detailed analysis of Company financial performance Further review of the Company's books and records and isolation of relevant records Correspondence with directors of the Company and related entities Preparation for and examination of the directors Formulating instructions to experts relating to opinions required Reviewing legal advice
	Litigation / Recoveries	Determining strategy to pursue claims Attending to and liaising with lawyers regarding proceedings Reviewing correspondence, expert opinions, statements of claim, affidavits and submissions Attending to and liaising with lawyers to make discovery Review of discovery documents Review defences and consider response Ongoing correspondence with litigation funder regarding claims and strategies Preparation for mediation Financial analysis Management of budgets and work streams

7. Calculation of remuneration

The calculation of remuneration schedules are attached at Appendix A.

8. Statement of remuneration claim

At the meeting of creditors to be held on 12 December 2016, members will be asked to consider the following resolutions:

Resolution 1

*Following the Orders of the Supreme Court of Victoria dated 2 December 2016 that the Liquidators, Gunns Limited (**Gunns**) and the Gunns Group of companies listed in the schedule to those Orders (**Gunns Group**) have approval to enter into and cause Gunns and the Gunns Group to enter into the funding agreement described in the report to the Committee of Inspection (**COI**) dated 5 December 2016 (**COI Report**) (**Funding Agreement**), the COI and the Liquidators determine by agreement that the remuneration payable to the Liquidators in respect of the Audit Claim is as follows:*

- a) hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) at the rate of 60%, such remuneration to be approved periodically by the COI; and*
- b) subject to the Court's determination, from the Audit Claim Recoveries (as defined in the COI Report):*
 - i. the unpaid 40% of hourly fees referable to those calculated in a); and*
 - ii. an amount calculated and fixed in a percentage of no more than 5 per cent of the Audit Claim Recoveries.*
- c) In respect of the period 1 April 2015 to 30 November 2016, the COI approves the Liquidators' remuneration totalling \$430,603.92 (\$717,673.20 x .6) plus GST, as set out in the Remuneration Report dated 5 December 2016."*

Resolution 1.1

"In respect of the period 1 December 2016 to 30 June 2017, the COI approves the Liquidators' remuneration as set out in the Remuneration Report dated 5 December 2016 based on hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) to a maximum of \$450,000 (\$750,000 x .6) plus GST."

Alternatively, Resolution 2

*"Following the Orders of the Supreme Court of Victoria dated 2 December 2016 that the Liquidators, Gunns Limited (**Gunns**) and the Gunns Group of companies listed in the schedule to those Orders (**Gunns Group**) have approval to enter into and cause Gunns and the Gunns Group to enter into the funding agreement described in the report to the Committee of Inspection (**COI**) dated 5 December 2016 (**COI Report**) (**Funding Agreement**), the COI and the Liquidators determine by agreement that the remuneration payable to the Liquidators in respect of the Audit Claim is as follows:*

- a) hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) such remuneration to be approved periodically by the COI.*
- b) In respect of the period 1 April 2015 to 30 November 2016, the COI approves the Liquidators' remuneration totalling \$717,673.20 plus GST, as set out in the Remuneration Report dated 5 December 2016.*

Resolution 2.2

In respect of the period 1 December 2016 to 30 June 2017, the COI approves the Liquidators' remuneration as set out in the Remuneration Report dated 5 December 2016 based on hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) up to a maximum of \$750,000 plus GST".

9. Remuneration recoverable from external sources

On 2 December 2016, the Supreme Court of Victoria approved the Liquidators, Gunns Limited (**Gunns**) and the Gunns Group of companies (as listed in the schedule to those Orders) (**Gunns Group**) to enter into and cause Gunns and the Gunns Group to enter into a funding agreement described in the report to the Committee of Inspection dated 5 December 2016 (**Funding Agreement**). Pursuant to the Funding Agreement, until and if any Audit Funding Recoveries are made, the Liquidators' remuneration in respect of the Audit Claim will be paid by the funder, Claims Funding Australia Pty Ltd.

10. 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, but must account to creditors.

We have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

There are no disbursements in respect of the Audit Claim for the period 1 April 2015 to 30 November 2016

Future disbursements provided by our firm will be charged to the administration on the following basis:

Internal Disbursements		Rate (Excl GST)
Advertising		At cost
Courier		At cost
Photocopy/Printing	Black and white	\$0.10 per page
	Colour	\$0.50 per page
	A3 – Black and white	\$0.20 per page
	A3 – Colour	\$0.60 per page
Postage		At cost
Scans		\$0.05 per page
Staff vehicle use		At prescribed ATO rates

Rates applicable as at 1 January 2016

11. Summary of receipts and payments

The summary of receipts and payments for Gunns Limited (for the entire administration, not just for the Audit Claim) for the period from 1 April 2015 to 30 November 2016 is attached at Appendix B.

We lodge a detailed account of our receipts and payments with ASIC every six months with a statement of position. These are available from the public database.

12. Queries

Please contact Miranda Priddle on (03) 9269 4163 or by email on mpriddle@ppbadvisory.com should you have any queries or require any further information.

13. Information sheets

Available online is the ASIC publication 'Insolvency Information for directors, employees, creditors and shareholders', which provides an index of all the information sheets that are available including information on 'Approving fees'. You can download these forms from www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets.

Appendix A

Calculation of Remuneration

For the period 1 April 2015 to 30 November 2016

Position	\$/hours (Ex GST)	Total Actual Hrs	Total \$	Creditors		Employees		Investigation - Audit Claims		Administration	
				\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Partner	675	77.8	52,510.95					52,510.95	77.79		
Director	585	454.8	266,058.00					266,058.00	454.80		
Senior Manager	510	322.5	164,475.00					164,475.00	322.50		
Manager	465	41.4	19,251.00					19,251.00	41.40		
Assistant Manager	445	17.9	7,965.50					7,965.50	17.90		
Senior Analyst / Senior Consultant	395	134.7	53,206.50					53,206.50	134.70		
Senior Analyst 2	395	360.3	142,298.75					142,298.75	360.25		
Consultant	310	17.0	5,270.00					5,270.00	17.00		
Analyst	250	2.9	725.00					725.00	2.90		
Graduate	210	11.1	2,331.00					2,331.00	11.10		
Undergraduate	190	18.9	3,581.50					3,581.50	18.85		
Senior Bookkeeper	190	-	-					-	-		
Personal Assistant	160	-	-					-	-		
Total		1,459.19	717,673.20	-	-	-	-	717,673.20	1,459.19		
GST			71,767.32	-		-		71,767.32			
Total (Including GST)			789,440.52	-		-		789,440.52			
Average rate (excluding GST)			492								

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

Professional fees for work to be undertaken by Daniel Bryant, Craig Crosbie and Ian Carson, their partners and staff during the Liquidation process for the period 1 December 2016 to 30 June 2017 in respect to the **Audit claim only**.

Calculation of Remuneration

For the period 1 December 2016 to 30 June 2017

Position	\$/hours	Total	Total	Creditors		Employees		Investigation		Administration	
	(Ex GST)	Hrs	\$	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Partner	675.00	186.0	125,550.00					125,550.00	186.0		
Director	585.00	230.0	134,550.00					134,550.00	230.0		
Senior Manager	510.00	360.0	183,600.00					183,600.00	360.0		
Manager	465.00	-	-					-	-		
Assistant Manager	445.00	45.0	20,025.00					20,025.00	45.0		
Senior Analyst / Senior Consultant	395.00	419.0	165,505.00					165,505.00	419.0		
Senior Analyst 2	380.00	-	-					-	-		
Consultant	310.00	285.0	88,350.00					88,350.00	285.0		
Analyst	250.00	65.0	16,250.00					16,250.00	65.0		
Graduate	210.00	65.0	13,650.00					13,650.00	65.0		
Undergraduate	190.00	-	-					-	-		
Senior Bookkeeper	190.00	4.0	760.00					760.00	4.0		
Personal Assistant	160.00	11.0	1,760.00					1,760.00	11.0		
Total		1,670.0	750,000.00					750,000.00	1,670.0		
GST			75,000.00					75,000.00			
Total (Including GST)			825,000.00					825,000.00			
Average rate (excluding GST)			449								

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

APPENDIX B - RECEIPTS AND PAYMENTS

Gunns Limited ACN 009 478 148 (Receivers and Managers Appointed)(In Liquidation)

Receipts and Payments Summary - 1 April 2015 to 30 November 2016

RECEIPTS	\$
ASIC Assetless Administration Fund	50,129.53
Net GST received	236,648.00
Interest Income	18,798.71
Unfair preference settlements	4,587,073.32
Total Receipts	4,890,649.56
 PAYMENTS	
Accounting system support	(508.75)
Appointee Disbursements	(133,178.69)
Appointee Fees	(268,836.38)
Bank charges	(63.60)
Books & records storage	(3,085.17)
Contingent Liability	(350,724.80)
Legal Fees	(2,377,680.17)
Litigation funder's commission	(210,554.88)
Total Payments	(3,344,632.44)
 Total receipts from 1/04/2015 to 31/08/2016	4,890,649.56
Total payments from 1/04/2015 to 31/08/2016	(3,344,632.44)
Net receipts to from 1/04/2015 to 31/08/2016	1,546,017.12

GUNNS GROUP COMPANIES

1. GUNNS LIMITED (ACN 009 478 148)
 2. GUNNS NEW ZEALAND PTY LTD (ACN 069 051 378)
 3. KAURI TIMBER COMPANY LTD (ACN 004 085 714)
 4. GUNNS FOREST PRODUCTS PTY LTD (ACN 004 208 904)
 5. SORISDALE PTY LTD (ACN 054 548 971)
 6. WESLEY VALE ENGINEERING PTY LTD (ACN 006 955 568)
 7. NORTHERN FOREST INVESTMENTS PTY LTD (ACN 009 493 707)
 8. KVVIC PTY LTD (ACN 126 089 950)
 9. AUSPINE LIMITED (ACN 004 289 730)
 10. S.E.A.S. PLANTATIONS PTY LTD (ACN 005 791 695)
 11. SOUTH EAST AFFORESTATION SERVICES PROPRIETARY LIMITED (ACN 007 898 259)
 12. AUSPINE PLANTATIONS PTY LTD (ACN 002 327 808)
 13. TIMBERSALES PROPRIETARY LIMITED (ACN 004 848 864)
 14. SAPFOR TRADING PROPRIETARY LIMITED (ACN 007 924 254)
 15. S.E.A.S. SAPFOR FORESTS PROPRIETARY LIMITED (ACN 007 872 120)
 16. GTP ALEXANDRA PTY LTD (ACN 121 653 772)
 17. GTP HEYFIELD PTY LTD (ACN 000 041 814)
 18. GTP SOUTHWOOD PTY LTD (ACN 081 613 710)
 19. GUNNS HOLDINGS PTY LTD (ACN 009 520 085)
 20. GUNNS FINANCE PTY LTD (ACN 091 861 700)
 21. ASSOCIATED FOREST HOLDINGS PROPRIETARY LIMITED (ACN 004 352 078)
 22. TASMANIAN PULP & FOREST HOLDINGS LIMITED (ACN 009 488 733)
 23. TBVIC PTY LTD (ACN 004 161 782)
 24. EAST COAST PASTORAL CO PTY LTD (ACN 009 519 528)
 25. GUNNS CONSOLIDATED INVESTMENTS PTY LTD (ACN 128 619 045)
 26. TASMANIAN SOFTWOODS PTY LTD (ACN 009 501 786)
 27. S.E.A.S. ESTATES PTY LTD (ACN 007 923 971)
 28. MANNA HOLDINGS PTY LTD (ACN 008 008 197)
 29. AUSPINE TREE FARMS PTY LTD (ACN 100 307 373)
 30. TASPINE PTY LTD (ACN 009 477 730)
 31. S.E.A.S. SAPFOR INVESTMENT SERVICES PROPRIETARY LIMITED (ACN 008 164 289)
 32. S.E.A.S. SAPFOR HARVESTING PROPRIETARY LIMITED (ACN 007 511 211)
 33. GTP CHINA PTY LTD (ACN 093 919 414)
 34. GTP SEYMOUR PTY LTD (ACN 091 652 550)
 35. GTP HOLDINGS PTY LTD (ACN 009 478 068)
- (ALL IN LIQUIDATION) (ALL RECEIVERS AND MANAGERS APPOINTED) (THE 'GUNNS GROUP')

GUNNS LIMITED (GUNNS)
ACN 009 478 148
GUNNS PLANTATIONS LIMITED (GPL)
ACN 091 232 209
AUSPINE LIMITED (AUSPINE)
ACN 004 289 730
S.E.A.S. SAPFOR INVESTMENT SERVICES PTY LTD (S.E.A.S. SAPFOR)
ACN 008 164 289

(TOGETHER THE "THE COMPANIES")

(ALL RECEIVERS & MANAGERS APPOINTED)
(ALL IN LIQUIDATION)

Minutes of the Concurrent Committee of Inspection (COI) Meetings
Held on Monday, 12 December 2016 at 2:30pm
via teleconference

OPENING:

Mr Craig Crosbie called the meetings to order at 2:32 pm, introducing himself as one of the joint and several Liquidators appointed to the Gunns Group along with Mr Ian Carson and Mr Daniel Bryant (**Liquidators**).

CONCURRENT MEETINGS:

Mr Crosbie advised that it was his intention to hold the meetings of the Companies concurrently, although separate resolutions would be considered for each of the companies where applicable.

Mr Crosbie asked those in attendance if there were any objections to holding the meetings of the Companies concurrently.

There were no objections.

IN ATTENDANCE:

Mr Crosbie introduced those present at the meetings including:

- Ms Miranda Priddle of the Liquidators' staff
- Mr Sunny Puni of the Liquidators' staff

Mr Crosbie also pointed out that the following solicitors were available to join the meetings if COI members had any questions for them:

- Mr Christopher Beames of Johnson Winter Slattery, the Liquidators' solicitors in relation to the various investigations, including the unfair preference claims.
- Ms Meagan Grose of Arnold Bloch Leibler, the Liquidators' solicitors in relation to GPL's Managed Investment Schemes (**the Schemes**).

COMMITTEE OF INSPECTION MEMBERS:

A copy of the attendance schedule is attached.

Mr Crosbie confirmed that Great Southern Plantation Holdings (**GSPH**) had provided a special proxy in favour of the Chairman.

Mr Crosbie confirmed those attending by telephone could hear the meetings clearly.

APPOINTMENT OF CHAIRMAN:

Mr Crosbie, being one of the Liquidators, advised that he would be Chairman of the meetings, in accordance with Regulation 5.6.17 of the Corporations Regulations.

QUORUM:

The Chairman advised that, as there were at least two voting creditors present at the meeting for each of the companies, a quorum for each of the companies was sufficiently constituted pursuant to Regulations 5.6.16 and 5.6.13B. Furthermore, a majority of members were present for each committee of inspection in accordance with section 549(3) of the Corporations Act 2001 (**Act**). Accordingly, the meetings could proceed.

**TIME AND PLACE
OF MEETING
CONVENED:**

The Chairman advised that notice of a meeting of the COI would normally be required to be provided in writing to COI members 10 business days prior to the date of the meeting. However, pursuant to Regulation 5.6.12(4) the Liquidators had convened the meetings with shorter notice. The Chairman asked if there were any objections to the short notice for convening the meetings. There were no objections to the short notice.

The Chairman declared that the time and place for holding the concurrent meetings was convenient to the COI members in accordance with Regulation 5.6.14 of the Act and that teleconference facilities had been made available for those unable to attend in person.

RESOLUTIONS:

In accordance with Regulations 5.6.19, the Chairman noted that resolutions would be determined on the voices unless a poll was demanded.

**MINUTES OF THE
MEETINGS:**

The Chairman advised that minutes of the meetings would be lodged with the Australian Securities and Investments Commission (**ASIC**). The minutes lodged would not be a full transcript, rather a summary covering the key matters discussed and the key resolutions voted upon.

CONFIDENTIALITY

The Chairman pointed out that the report to the COI dated 5 December 2016 and the discussions at the concurrent meetings were commercially sensitive and should remain confidential.

**CHAIRMAN
ADDRESS TO THE
MEMBERS:**

The Chairman advised that the purpose of the concurrent meetings was to:

1. Consider and approve the Liquidators' entry into an agreement with Forestry Tasmania on behalf of Gunns, GPL and Auspine.
2. Consider and approve the Liquidators' entry into an agreement with Australian Executor Trustees (SA) Ltd on behalf of S.E.A.S. Sapfor.
3. Update COI members on the status of the claim against Gunn's former auditors.
4. Provide COI members with an update on:
 - the liquidations
 - settlement of legal claims
 - the Schemes for which GPL remains the Responsible Entity.
5. Consider and approve the Liquidators' remuneration.

The Chairman tabled the report to the COI dated 5 December 2016 and discussed its content as summarised below:

1. Forestry Tasmania (FT)

Seek approval to enter into agreements longer than three months

The Chairman advised that the Liquidators are required to seek approval from the COI or court pursuant to section 477(2B) of the Act to enter into agreements with a duration of greater than 3 months.

The Chairman reiterated the guidance previously provided to the COI, that the COI's role in this regard is not to provide commercial direction on decisions of a liquidator, rather to provide a review mechanism to ensure that transactions entered into by the Liquidators are for a proper purpose and in good faith.

Background to the FT Deed

Part 1 - Restitution Claim or 'Trees Claim'

A hearing in regard to the Trees Claim was held on 30 November 2016 and the Court on 9 December 2016 provided approval for GPL in its capacity as Responsible Entity to enter into the proposed FT Deed.

GPL leased the land used in the Gunns Woodlot Schemes. Forestry Tasmania (FT) was one of the land owners from whom GPL leased land. The leases between GPL and FT required GPL to pay ongoing rent at commercial rates. GPL then sub-leased parcels of the leased land to Growers in the 2002 - 2006, 2008 and 2009 Gunns Woodlot Schemes.

When the Administrators were first appointed in September 2012, about \$326,000 of rent had accrued under the leases between GPL and FT. Additional rent continued to accrue at about \$115,000 a month. There were no funds available in GPL to pay the accrued rent to FT.

By August 2013, FT issued notices of breach to GPL for the outstanding rent. FT gave GPL 60 days to remedy the breach. The only way the Liquidators could have remedied the breach was by paying the outstanding rent (which, by that stage, was up to about \$1.2 million) and there were no funds available to make payment of the outstanding amount.

The Liquidators attempted to engage with FT to see if it would be willing to enter into a standstill or some other kind of moratorium, to allow the Liquidators time to try and sell the FT assets with the main sale. The Liquidators tried to engage with FT on a number of occasions, but to no avail.

On 19 December 2013, with the rent still outstanding and continuing to accrue, FT issued notices of termination and re-took possession of the land.

After FT re-took possession of the land, the Liquidators sought legal advice and made a claim (outside of the Court process) against FT. The claim was that FT unjustly took the benefit of the scheme trees when it re-took possession of the land.

The Trees Claim was subsequently settled. The amount of the settlement is confidential pursuant to the terms of a settlement deed entered into by the parties.

If the Liquidators had not agreed to a settlement of the Trees Claim, they would have been left with two options:

- (i) cease pursuing the Trees Claim; or
- (ii) commence Court proceedings against FT.

If the Liquidators had ceased pursuing the Trees Claim, GPL would not have received any compensation from FT. It was therefore considered preferable to agree to the settlement, which guaranteed some compensation.

Alternatively, if the Liquidators had instead commenced Court proceedings, they would have had to take on all the risks of litigation. Court proceedings would have been costly and time consuming, and there was no guarantee that the Liquidators would have been ultimately successful.

Part 2 - FT Preference Claim

The vast majority of the payments sought to be recovered from FT as part of the preference claim related to Forestry Right Fees paid by Gunns and GPL to FT pursuant to various Forestry Right Deeds. The value of the Preference Claim was approximately \$1.38 million but possibly as high as \$1.83 million

(plus interest) on a running account basis.

In March 2016, we attended mediation with FT, to try to reach an agreement to resolve the Tree Claim and the Preference Claim. The negotiations for settlement occurred at a formal mediation and are therefore subject to confidentiality restrictions.

On 14 September 2016 the Liquidators entered into a settlement deed with FT, to resolve both the Tree Claim and the Preference Claim. The terms of the settlement deed are confidential.

FT raised several issues in its defence of the Preference Claim, including:

- challenging that the relevant Gunns entities were insolvent at the relevant dates;
- pleading the so-called “landlord’s defence”, effectively arguing that the nature of the payments sought to be recovered (the Forestry Right Fees) were in the nature of rent and, by paying the Forestry Right Fees, Gunns and GPL had obtained a benefit far in excess of the value of the payments by paying; and
- that FT was entitled to set-off certain amounts against any liability to the liquidators for the Preference Claim.

Each of those arguments, if accepted by a Court, would have provided either a full defence to the Preference Claim or reduced the Preference Claim to a minimal amount.

Having regard to:

- the risks that the liquidators faced (of FT succeeding on one or more of its defences) in taking the Preference Claim to trial;
- the inevitable costs and uncertainties of litigation;
- the (confidential) statements and observations made by the mediator during the course of mediation;
- the interaction with the settlement discussions in relation to the Trees Claim; and
- legal advice received,

the liquidators considered that the negotiated settlement amount was a reasonable settlement outcome in all of the circumstances.

Implications of entry into the FT Deed

Benefits and costs of realisation in relation to the Preference Claim

The settlement funds received from FT in relation to the Preference Claim less costs are for the benefit of the creditors of Gunns, GPL and Auspine.

Benefits and costs of realisation in relation to the Trees Claim

The compensation attributable to the Trees Claim less costs will be distributed to the relevant scheme growers.

Nigel Campbell queried whether entry into the FT Deed would affect other agreements already entered into with landowners. The Chairman advised the COI that the FT Deed only related to land owned by FT and accordingly it would not have an impact on other landowners.

2. Alternative trustee for S.E.A.S. Sapfor

Executor Trustee Australia Ltd (**ETA**), which is trustee for the SEAS Group Forestry Trust (**Trust**), wishes to retire as trustee and be replaced by a related entity, Australian Executor Trustees (SA) Ltd (**AETSA**).

AETSA is trustee for other prescribed investment schemes involving the Gunns Group.

**QUESTION – MR
CAMPBELL**

The retirement and appointment of an alternative trustee will not alter the operational obligations and responsibilities of the trustee in respect of the SEAS Group Forestry Trust, i.e. these obligations and responsibilities will continue to be serviced by the Corporate Trust division of AETSA.

**CHAIRMAN
ADDRESS TO THE
MEMBERS
(Continued):**

The Liquidators and their legal advisors have reviewed the deed of covenant, retirement and appointment documents, and are satisfied that they comply with the trust deed and causes AETSA to step into the shoes of ETA, without affecting the obligations owed to the manager, S.E.A.S. Sapfor.

3. Status of the claim against Gunns former auditors

The Liquidators have identified various breaches by the auditors which the Liquidators allege caused significant loss.

On a largely unfunded basis, early in 2016 the Liquidators publicly examined the auditors (KPMG) and obtained copies of their work papers.

Based on their investigations, the Liquidators believe that the audit work carried out by KPMG was deficient such that Gunns' assets were overstated in the company accounts in each of FY09 and FY10. The overstatements which the Liquidators allege were recorded in those accounts include:

- incorrectly capitalised pulp mill costs
- land values did not reflect the encumbrances due to grower contracts which provide only peppercorn rental
- overstated values for roads constructed on forest land not owned by Gunns
- overstated goodwill relating to the acquisition of Auspine
- failure to recognise loss making contracts for MIS schemes.

The Liquidators allege, as a result of reliance on the erroneous accounts, Gunns entered into a range of transactions which resulted in losses or cash outflows which should not have occurred, including:

- payment of ordinary dividends
- payment of dividends on FORESTS notes
- continuing pursuit of the pulp mill project
- acquisition of businesses which ultimately were divested by Gunns at a loss.

As outlined in the COI report of 5 December 2016, a reputable funder has agreed to fund all costs associated with pursuing the claim.

KPMG have now provided a defence.

The next steps in the claim include discovery and considering similar claims against the directors. The key work performed by us and our advisers includes:

- Public examinations and preparation
- Development of claim and service of a statement of claim on KPMG
- Developing and obtaining litigation funding (including Court approval)

The Court approved the Liquidators to enter into an agreement with the litigation funder on 2 December 2016.

The Liquidators are seeking COI approval of their fees which form part of the Audit Claim funding agreement on the following basis:

- hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time; and
- subject to the Court's determination, an amount calculated and fixed in a percentage of no more than 5 per cent of the Audit Claim Recoveries (**Uplift Fee**).

Where the COI agrees the Liquidators' fees including the Uplift Fee, the litigation funder will only pay 60% of the Liquidators' hourly fees incurred until (and if) there are Audit Claim Recoveries. To the extent possible, the remaining 40% of the Liquidators' hourly fees will be paid together with the Uplift Fee from any Audit Claim Recoveries. Where the Audit Claim Recoveries are not sufficient to pay either the remaining 40% of the Liquidators' hourly fees or the Uplift Fee, the Liquidators will be unable to recover those amounts.

In the absence of COI approval for the above fees, the Court approved Funding Agreement provides for the Liquidators' remuneration to be paid only with reference to hourly fees calculated on a time basis. In this instance, the litigation funder will pay the Liquidators 100% of the hourly fees incurred without any reference to Audit Claim Recoveries. This is not the litigation funder's preferred option.

As indicated at the last COI meetings and subsequent discussions, the Liquidators have continued to investigate the viability of any claims against the directors and officers (**D&O**) for negligence (**D&O Claims**). The Chairman pointed out that this work is ongoing. The Chairman stressed that this is a complicated area of law and potential claims are still being investigated.

4. Liquidation Update

Unfair preference claims

In the course of investigations, the Liquidators have identified approximately 270 potential preference claims with a total value of c.\$70.2 million. Letters of demand were issued to around 170 of these creditors.

Settlements have been reached with c.60 creditors, totalling approximately \$6.9 million in recoveries. The Liquidators are currently in negotiation with a further 18 creditors with claims of \$1.32 million.

Litigation has commenced against 74 creditors with claims of \$51.7 million. Given the early stages of proceedings against these creditors, the Liquidators are not yet able to confirm the amount and timing of any return to unsecured creditors.

Scheme update

Distributions have recently commenced to investor growers in the Great Southern Plantations (**GSP**) and Gunns Plantations (**GPL**) Schemes.

The proceeds to distribute primarily relate to:

- Sales proceeds from asset realisations
- Insurance proceeds from various fire events
- Funds held in custodian accounts at the date of appointment

The proceeds distributed are less approved costs.

Once all funds have been distributed, the Liquidators will be in a position to finalise the wind-up of the Schemes.

Landowners

The Liquidators have entered into contracts with the majority of GSP and GPL landowners to either acquire or harvest the associated scheme assets located on their land. The Liquidators are continuing to negotiate with the balance of landowners.

The Chairman asked whether COI members had any questions. No questions were forthcoming.

RESOLUTION AS TO ENTERING INTO THE FT DEED FOR GUNNS LIMITED:

It was proposed by Stuart Howard representing AETSA:

"To approve the Liquidators entry into a deed of settlement with Forestry Tasmania as detailed in the Liquidators' report dated 5 December 2016, pursuant to Section 477(2B) of the Corporations Act 2001."

The Chairman declared the resolution carried on the voices.

RESOLUTION AS TO ENTERING INTO THE FT DEED FOR GUNNS PLANTATIONS LIMITED:

It was proposed by Michael Murray representing the Banking Syndicate:

"To approve the Liquidators entry into a deed of settlement with Forestry Tasmania as detailed in the Liquidators' report dated 5 December 2016, pursuant to Section 477(2B) of the Corporations Act 2001."

The Chairman exercised the special proxy from GSPH in his favour in accordance with GSPH's instructions.

The Chairman declared the resolution carried on the voices.

RESOLUTION AS TO ENTERING INTO THE FT DEED FOR AUSPINE LIMITED:

It was proposed by Tony Stonek representing AKS Forest Solutions:

"To approve the Liquidators entry into a deed of settlement with Forestry Tasmania as detailed in the Liquidators' report dated 5 December 2016, pursuant to Section 477(2B) of the Corporations Act 2001."

The Chairman declared the resolution carried on the voices.

RESOLUTION AS TO ENTERING INTO THE AGREEMENT FOR S.E.A.S SAPFOR:

It was proposed by Michael Murray representing the Banking Syndicate:

"To approve the Liquidators entry into an agreement with Australian Executor Trustees (SA) Ltd as detailed in the Liquidators' report dated 5 December 2016, pursuant to Section 477(2B) of the Corporations Act 2001."

The Chairman declared the resolution carried on the voices, noting Australian Executor Trustees abstained from voting.

LIQUIDATORS REMUNERATION DECLARATION:

The Chairman advised the COI that approval for Liquidators' remuneration was being sought as follows:

- GPL for the period 1 January 2015 to 31 August 2016;
- Gunns (excluding work in pursuing the former auditors), Auspine and S.E.A.S. Sapfor for the period 1 April 2015 to 31 August 2016;
- Gunns (for pursuing the auditors) for the period 1 April 2015 to 30 November 2016; and
- Gunns (for pursuing the auditors) for the period 1 December 2016 to 30 June 2017 (i.e. prospective remuneration).

The Chairman pointed out that Remuneration reports outlining the composition of the fees sought were attached to the notice dated 5 December 2016 sent to

the COI.

The Chairman noted that pursuant to Regulation 5.6.12(4) the Liquidators had convened the meetings by giving less than 10 business days' notice. Accordingly, the Chairman asked those members present whether they wanted one or more of the concurrent meetings adjourned pursuant to Regulation 5.6.18 to provide further time to consider the remuneration resolutions.

No members of the COI requested further time to consider the remuneration resolutions.

The Chairman asked if there were any questions in relation to the remuneration reports.

There were no questions.

**LIQUIDATORS'
REMUNERATION
FOR S.E.A.S.
SAPFOR:**

It was proposed by Stuart Howard representing AETSA:

"To approve the Liquidators' remuneration for the period 1 April 2015 to 31 August 2016 of \$9,038.47 plus GST as detailed in the remuneration report dated 5 December 2016."

The Chairman declared the resolution carried on the voices.

**RESOLUTION AS
TO THE PROPOSED
REMUNERATION
FOR AUSPINE:**

It was proposed by Michael Murray representing the Banking Syndicate:

"To approve the Liquidators' remuneration for the period 1 April 2015 to 31 August 2016 of \$2,319.44 plus GST as detailed in the remuneration report dated 5 December 2016."

The Chairman declared the resolution carried on the voices.

**RESOLUTION AS
TO THE PROPOSED
REMUNERATION
FOR GPL:**

It was proposed by Michael Murray representing the Banking Syndicate:

"To approve the Liquidators' remuneration for the period 1 January 2015 to 31 August 2016 of \$278,881.00 plus GST as detailed in the remuneration report dated 5 December 2016."

The Chairman exercised the special proxy from GSPH in his favour in accordance with GSPH's instructions.

The Chairman declared the resolution carried on the voices.

**RESOLUTION AS
TO THE PROPOSED
REMUNERATION
FOR GUNNS
(EXCLUDING WORK
ON THE AUDIT
CLAIM):**

It was proposed by Stuart Howard representing AETSA:

"To approve the Liquidators' remuneration for the period 1 April 2015 to 31 August 2016 of \$1,880,120.02 plus GST as detailed in the remuneration report dated 5 December 2016."

The Chairman declared the resolution carried on the voices.

The Chairman enquired whether any COI members had any questions at this juncture. No questions were forthcoming.

**RESOLUTION AS
TO THE PROPOSED
REMUNERATION
FOR GUNNS FOR
WORK ON THE
AUDIT CLAIM:**

It was proposed by Michael Murray representing the Banking Syndicate:

*"Following the Orders of the Supreme Court of Victoria dated 2 December 2016 that the Liquidators, Gunns Limited (**Gunns**) and the Gunns Group of companies listed in the schedule to those Orders (**Gunns Group**) have approval to enter into and cause Gunns and the Gunns Group to enter into the funding agreement described in the report to the Committee of Inspection (**COI**)"*

dated 5 December 2016 (**COI Report**) (**Funding Agreement**), the COI and the Liquidators determine by agreement that the remuneration payable to the Liquidators in respect of the Audit Claim is as follows:

- a) hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) at the rate of 60%, such remuneration to be approved periodically by the COI; and
- b) subject to the Court's determination, from the Audit Claim Recoveries (as defined in the COI Report):
 - i. the unpaid 40% of hourly fees referable to those calculated in a); and
 - ii. an amount calculated and fixed in a percentage of no more than 5 per cent of the Audit Claim Recoveries.
- c) In respect of the period 1 April 2015 to 30 November 2016, the COI approves the Liquidators' remuneration totalling \$430,603.92 (\$717,673.20 x .6) plus GST, as set out in the Remuneration Report dated 5 December 2016."

The Chairman declared the resolution carried on the voices.

**RESOLUTION AS
TO THE PROPOSED
REMUNERATION
FOR GUNNS FOR
WORK ON THE
AUDIT CLAIM:**

It was proposed by Stuart Howard representing AETSA:

"In respect of the period 1 December 2016 to 30 June 2017, the COI approves the Liquidators' remuneration as set out in the Remuneration Report dated 5 December 2016 based on hourly fees calculated and fixed on a time basis in accordance with the standard rates and charges of PPB Advisory as set from time to time (currently as specified in Section 4 of the remuneration report dated 5 December 2016) to a maximum of \$450,000 (\$750,000 x .6) plus GST."

The Chairman declared the resolution carried on the voices.

CLOSURE:

The Chairman asked if there were any questions. No questions were forthcoming.

The Chairman thanked those present for attending and declared the concurrent meetings closed at 3:12 pm.

SIGNED AS A CORRECT RECORD:

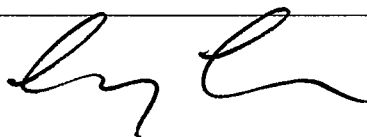

Craig Crosbie
CHAIRMAN

FORM 531C Corporations Act 2001

GUNNS LIMITED (GUNNS)
ACN 009 478 148
GUNNS PLANTATIONS LIMITED (GPL)
ACN 091 232 209
AUSPINE LIMITED (AUSPINE)
ACN 004 289 730
S.E.A.S. SAPFOR INVESTMENT SERVICES PTY LTD (S.E.A.S. SAPFOR)
ACN 008 164 289

LIST OF PERSONS PRESENT AT CONCURRENT MEETINGS OF THE COMMITTEES OF INSPECTION

Concurrent Meetings held via teleconference
on 12 December 2016 at 2:30 pm

No.	Name of Proxy or Attorney (if relevant)	Name of Creditor	Signature of person attending	Member of COI for Company
1	Michael Murray for and on behalf of Chris Fenwick	Banking Syndicate	Utilised teleconference facilities	Gunns Ltd, Gunns Plantations Ltd, Auspine Ltd and S.E.A.S. Saphor Investment Services Pty Ltd
2	Stuart Howard	Australian Executor Trustees (SA) Ltd	Utilised teleconference facilities	Gunns Ltd and S.E.A.S. Saphor Investment Services Pty Ltd
3	Yvonne Kelaher for and on behalf of Annette Rehayem	Australian Executor Trustees (SA) Ltd	Utilised teleconference facilities	Gunns Ltd and S.E.A.S. Saphor Investment Services Pty Ltd
4	Tony Stontek	AKS Forest Solutions	Utilised teleconference facilities	Auspine Ltd
5	Nigel Campbell	Himself	Utilised teleconference facilities	Gunns Plantations Ltd
6	Chairman as special proxy	Great Southern Plantation Holdings		Gunns Plantations Ltd

Gunns Plantations Ltd (Receivers and Managers Appointed)
ACN 091 232 209
(In Liquidation) (GPL)

Minutes of the Committee of Inspection Meeting (COI)
Held on Monday, 23 February 2015 at 11:00 am
via teleconference

- OPENING:** Mr Daniel Bryant called the meeting to order at 11:00 am introducing himself as one of the Joint and Several Liquidators appointed along with Ian Carson and Craig Crosbie to GPL (**Liquidator/s**).
- IN ATTENDANCE:** Mr Bryant introduced those present at the meeting including:
- Ms Louise Gray of the Liquidators' staff
 - Ms Kellie Elliott of the Liquidator's staff
 - Ms Jane Sheridan of Arnold Bloch Leibler (**ABL**), the Liquidators' solicitors (utilising teleconference facilities).
- COMMITTEE OF INSPECTION MEMBERS:** A copy of the attendance schedule is attached.
- Mr Bryant confirmed those attending by telephone could hear the meeting clearly.
- APPOINTMENT OF CHAIRMAN:** Mr Bryant, being the Liquidator, advised that he is Chairman of the meeting, in accordance with Regulation 5.6.17 of the Corporations Regulations.
- QUORUM:** The Chairman advised that, as there were more than two voting creditors present at the meeting, a quorum was sufficiently constituted pursuant to Regulations 5.6.16 and 5.6.13B, and section 549(3) of the Corporations Act 2001 (**Act**). Accordingly, the meeting could proceed.
- TIME AND PLACE OF MEETING CONVENED:** The Chairman advised that the notice of meeting issued on 6 February 2015 by circular provided 10 business days to convene the meeting.
- The Chairman declared that the time and place for holding the meeting was convenient to the majority of creditors in accordance with Regulation 5.6.14 and that teleconference facilities had been made available in accordance to Regulations 5.6.13A.
- RESOLUTIONS** In accordance with Regulations 5.6.19 of the Act the Chairman noted that resolutions would be determined on the voices unless a poll was demanded.
- MINUTES OF THE MEETINGS:** The Chairman advised that minutes of the meeting would be lodged with the Australian Securities and Investments Commission (**ASIC**). The minutes lodged would not be a full transcript, rather a summary covering the key matters noted and the key resolutions voted upon.

CHAIRMAN
ADDRESS TO THE
MEMBERS:

The Chairman advised that the purpose of the meeting was to discuss the following matters:

1. Seek approval to enter into agreements

The Chairman advised that the Liquidators are required to seek approval from the COI on an agreement that the Liquidators would like to enter into on behalf of GPL. Under section 477(2B) of the Act, the Liquidator must not, without COI or court approval, enter into any agreement on behalf of a company which has or may have a duration of greater than three months.

The Chairman reiterated the guidance previously given in the letter to the COI, that the courts' role in section 477(2B) of the Act is not to provide commercial direction or decisions of a Liquidator, rather to provide a review mechanism to ensure that transactions entered into by the Liquidators are for a proper purpose and in good faith. The Chairman noted that there may be different interpretations of this section.

The Chairman advised that the transaction is for a proper purpose and in good faith.

The Chairman advised that there are a number of parties who may have a personal interest in the agreements. The purpose of each of the attendees is in their capacity as creditors and members of the committee not in personal capacity or in self-interest.

2. Approve the Liquidators remuneration

3. Provide an update on the liquidation

The Chairman asked if there were any general questions before discussing the specifics.

There were no questions.

The Chairman proceeded to discuss these matters.

1. Agreement for approval

The Chairman discussed the Tumbarumba Sale Process Deed (SPD) agreement as summarised in the notice issued to the COI members on 6 February 2015.

1.1 Tumbarumba Sale Process Deed Agreement

The Chairman asked if there were any questions in relation to this agreement.

David Gatenby questioned whether any trees the subject of the agreement were located in Tasmania, with the Chairman confirming that the trees were located only in New South Wales.

The Chairman advised the committee has three options for voting; being in favour, against or abstain.

It was proposed by David Gatenby representing himself that:

"The Liquidators be authorised to perform all tasks necessary to enter into the Tumbarumba Sale Process Deed agreement on behalf of GPL"

Votes:

Mr Tom Birch in favour

Mr David Gatenby in favour

Mr Chris Fenwick abstained (as an interested party)

The Chairman declared the resolution carried on the voices, noting one member of the COI had abstained from voting.

2. Approve the Liquidators remuneration

2.1 Remuneration for work undertaken for GPL

The Chairman advised the COI that approval for fees was sought for the period 1 May 2014 to 31 December 2014 for work undertaken for GPL.

Approval was sought from the COI for fees totalling \$77,740.50 (exclusive of GST). Remuneration reports outlining the composition of the fees sought were attached to the notice dated 6 February 2015 sent to the COI.

The Chairman asked if there are any questions in relation to the remuneration reports.

There were no questions.

The Chairman advised the committee has three options for voting; being in favour, against or abstain.

It was proposed by Mr Tom Birch representing Great Southern Plantation Holdings Pty Ltd:

"The remuneration of the Liquidators, their partners and staff for the period 1 May 2014 to 31 December 2014 are all proper costs, charges and expenses of, and incidental to the liquidation, and that amount be fixed at \$77,740.50 (exclusive of GST), having been calculated on a time basis at rated annexed to the Remuneration Reports as provided previously and is in accordance with the statement of best practice issued by ARITA. Furthermore, the Liquidators be authorised to pay the remuneration plus any applicable GST."

Votes:

Mr Tom Birch in favour
Mr Chris Fenwick in favour
Mr David Gatenby in favour

The Chairman declared the resolution unanimously carried on the voices.

2.2 Remuneration for work undertaken for Grower Insurance

The Chairman advised the COI that approval for fees was sought for the period between 25 September 2012 and 31 December 2014 for work undertaken for Grower insurance related tasks.

The Chairman provided an overview of the tasks associated with the amount sought for approval and the source of funds for payment of these amounts.

Approval was sought from the COI for fees totalling \$110,899.50 (exclusive of GST). Remuneration reports outlining the composition of the fees sought were attached to the notice dated 6 February 2015 sent to the COI.

The Chairman asked if there are any questions in relation to the remuneration reports.

There were no questions.

The Chairman advised the committee has three options for voting; being in favour, against or abstain.

It was proposed by Mr David Gatenby representing himself:

"The remuneration of the Liquidators, their partners and staff for the period between 25 September 2012 and 31 December 2014 are all proper costs, charges and expenses of, and incidental to the liquidation, and that amount be fixed at \$110,899.50 (exclusive of GST), having been calculated on a time basis at rated annexed to the Remuneration Reports as provided previously and is in accordance with the statement of best practice issued by ARITA. Furthermore, the Liquidators be authorised to pay the remuneration plus any applicable GST."

Votes:

Mr Tom Birch in favour
Mr Chris Fenwick in favour
Mr David Gatenby in favour

The Chairman declared the resolution unanimously carried on the voices.

2.3 Remuneration for work undertaken related to the Electing Grower

The Chairman advised the COI that approval for fees was sought for the period between 25 September 2012 and 31 December 2014 for work undertaken in relation to the Electing Grower.

Approval was sought from the COI for fees totalling \$8,962.50 (exclusive of GST). Remuneration reports outlining the composition of the fees sought were attached to the notice dated 6 February 2015 sent to the COI.

The Chairman asked if there are any questions in relation to the remuneration reports.

There were no questions.

The Chairman advised the committee has three options for voting; being in favour, against or abstain.

It was proposed by Mr David Gatenby representing himself:

"The remuneration of the Liquidators, their partners and staff for the period between 25 September 2012 and 31 December 2014 are all proper costs, charges and expenses of, and incidental to the liquidation, and that amount be fixed at \$8,962.50 (exclusive of GST), having been calculated on a time basis at rated annexed to the Remuneration Reports as provided previously and is in accordance with the statement of best practice issued by ARITA. Furthermore, the Liquidators be authorised to pay the remuneration plus any applicable GST."

Votes:

Mr Tom Birch in favour
Mr Chris Fenwick in favour
Mr David Gatenby in favour

The Chairman declared the resolution unanimously carried on the voices.

The Chairman advised that there were no more approvals required from the COI and gave a brief update on the status of the liquidation and Schemes.


CLOSURE:

The Chairman asked if there were any further questions.

There were no further questions.

The Chairman thanked those present for attending and declared the meeting closed.

SIGNED AS A CORRECT RECORD:

A handwritten signature in black ink, appearing to read 'D. Bryant', written in a cursive style.

Daniel Bryant
CHAIRMAN

FORM 531C
Corporations Act 2001

GUNNS PLANTATIONS LIMITED
ACN 091 232 209
(RECEIVERS & MANAGERS APPOINTED) (IN LIQUIDATION) (GPL)

LIST OF PERSONS PRESENT AT MEETING OF COMMITTEE OF INSPECTION

Meeting held via teleconference
on 23 February 2015 at 11:00 am

No.	Name of Creditor	Name of Proxy or Attorney (if relevant)	Signature of person attending:
1	Banking Syndicate	Mr Chris Fenwick	Utilised teleconference facilities
2	Mr David Gatenby	Mr David Gatenby	Utilised teleconference facilities
3	Great Southern Plantation Holdings Pty Ltd	Mr Tom Birch	Utilised teleconference facilities