

Shelbay Pty Ltd ACN 106 936 074 (Administrators Appointed)

Initial Advice to Creditors Concerning Remuneration

Remuneration Methods

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

a. 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.

b. 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.

c. Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

d. Contingency

The Practitioner's fee is structured to be contingent on a particular outcome being achieved.

e. Method chosen

Given the nature of this administration we propose that our remuneration be calculated on a time based approach. This method provides the most appropriate way of determining remuneration as it reflects remuneration owed for work actually performed.

Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services, and should not be compared to an hourly wage.

Having regard to the factors detailed above we believe the attached schedule of rates are reasonable:

- Guide to Taylor Woodings Schedule of Corporate Recovery Rates
- Schedule of Corporate Recovery Rates